

Independent Technical Review of the Cambodia UN-REDD National Programme Document

Reviewer: Hosny El-Lakany, Adj. Prof., Faculty of Forestry, University of British Columbia, Canada

Background

The principle objective of this review is to analyze the Cambodia UN-REDD National Programme Document (Cambodia-NPD) and evaluate its compliance with the UN-REDD Framework Document (June 2008) and the UN-REDD Programme Rules and Procedures and Operational Guidance (March 2009). The specific criteria taken into consideration included: government ownership; engagement of Indigenous Peoples and other forest dependent communities in terms of level of consultation and participation; as well as effectiveness and cost–efficiency; and management of risks and likelihood of success of the UN-REDD National Plan. The review addresses these criteria in the same order.

In addition to the two aforementioned documents, the Terms of Reference for Independent Technical Review of UN-REDD NPD and the Cambodia Readiness Plan Proposal on REDD+ (Cambodia REDD+ Roadmap) Version 3.1 (4 Oct. 2010) other documents consulted included the summaries of the First National REDD+ Readiness Plan (“the Roadmap”) Consultation (Aug 2010) and the Civil Society Consultation Workshop for the Cambodia REDD+ Roadmap (Sept.2010). The FCPF R-PIN Cambodia (2008) and its TAP Synthesis Review (Jan 2009) as well as the Expression of Interest submitted by the RGC to the Forest Investment Programme (FIP) were familiar to the reviewer in his capacity as Co-Chair of the FIP Expert Group for selecting REDD+ Pilot Countries.

Cambodia is considered a relatively high forest cover country with a total of 10.094 million hectares of forest cover) or nearly 57% of land area, (GFRA, 2010). Considering that the forest cover was 12.944 million ha in 1990, Cambodia lost some 2.850 million ha of forest over the last 20 years, hence it is regarded as a high deforestation country. The principle causes of deforestation relate mainly to institutional and governance issues and the fast rate of national development. Evidence suggests that large-scale agro-industrial expansions are the largest driver of deforestation currently. Cambodia is one of the first countries in the Greater Mekong region to address REDD+ with some pilot activities starting in 2008. Following Cambodia’s accession to UN-REDD in October 2009, the UNDP and FAO Country Offices committed to support the RGC with a REDD Readiness planning process, which led to the development of the Cambodia Readiness Plan Proposal on REDD+ (the Roadmap). The Cambodia UN REDD National Programme, which is the subject of this review has been specifically designed to support implementation of the Roadmap. The Objective of the Cambodia UN REDD National Programme is to “support Cambodia to be ready for REDD+ Implementation, including development of necessary institutions, policies and capacity”. This will contribute to the overall goal of ensuring that “By the end of 2012 Cambodia has developed a National REDD+ Strategy and Implementation Framework and is ready to contribute to reductions in emissions from deforestation and forest degradation”.

1. Ownership of the NPD by Government and non-government stakeholders:

Close examination of relevant documents and processes leading to their production as well as the active participation of Cambodia in international forums addressing biodiversity, climate change and forestry , especially REDD+, clearly demonstrate the RGC’s keen interest in moving ahead with REDD readiness in a systematic manner.

Forests in Cambodia fall under the general jurisdiction of the Ministry of Agriculture, Forestry and Fisheries (MAFF), with the Forestry Administration (FA) of MAFF charged as the responsible government authority with direct responsibility for the Permanent Forest Estate only. The Ministry of Environment is responsible for management of Protected Areas, and the Fisheries Administration of MAFF responsible for flooded forest and mangrove areas under the fisheries domain. The principle forest management strategies of the RGC are embedded into the new National Forest Programme (2010) for the Permanent Forest Estate regulated by FA. Strengthening implementation of forestry policy and improving forest law enforcement and governance have been priority issues since 1998. A number of governance-related obstacles confront Cambodian forestry, however. Some studies concluded that steps taken to control illegal logging were unsuccessful hence a logging moratorium was declared in 2001. The future success of forest law enforcement and governance efforts in general, and REDD+

implementation in particular depends on the degree of responsibility allocated to the Forest Crime Monitoring Unit and the capacity provided to implement direct action. Alternative livelihoods and greater regulation of harvesting and environmental management are likely to reduce illegal logging.

The Cambodia Readiness Plan Proposal on REDD+ ('the Roadmap') has been developed by the interim REDD+ Taskforce and stakeholder groups in 2010 following a nine month process, including two months of public consultation on the drafts. The third version was approved by stakeholders in late September 2010. The "Roadmap" recognizes that whilst the legal framework for management of forest resources is clear, the national coordination and regulation framework with respect to REDD+ is not yet fully defined. Nevertheless, the general framework could be determined based on the existing jurisdictions of relevant government ministries and institutions. Additional processes will need to be established during the national REDD+ Readiness process to clarify decision-making processes and create appropriate subsidiary regulations. The RGC has declared that REDD activities would be coordinated by the National Climate Change Committee, as the highest-level inter-ministerial committee for climate change policy. *NPD page 30*. Based on its active engagement and leadership in the REDD+ Readiness processes so far, it is believed that the RGC has demonstrated strong ownership and commitment to proceed with the implementation of the Roadmap in an inclusive manner.

- **Coherence with national strategies, policies and development planning processes:**

A review of the UN-REDD NPD and the REDD+ Roadmap revealed their coherence with relevant national plans and strategies already in place. The RGC has begun to implement a new vision for Cambodia's forest sector, based on the Rectangular Strategy – Phase II, the National Strategic Development Plan (NSDP; Update 2009-2013), the National Forest Programme (NFP) and several new laws and policies. The "Rectangular Strategy for Growth, Employment, Equity and Efficiency – Phase II" is the RGC's over-arching socioeconomic development policy agenda for the Fourth Legislature of the National Assembly (2008-2013), which includes "forestry reform" as one of its pillars. The forestry reform intends to address law enforcement, effective management of Protected Areas, climate change actions and Community Forestry. The NSDP is intended to serve as the implementation tool or roadmap for implementation of the Rectangular Strategy – Phase II. Cambodia Millennium Development Goals. Goal 7: "Ensure Environmental Sustainability" sets out nine indicators for the forestry and environment sector under Target 13: "Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources".

While aspects of REDD+ NDP and Roadmap are implicit in these key new laws, policies and subsidiary regulations there is an explicit recognition of the rights of local communities and Indigenous Peoples as well as the importance of local community management of natural resources, through Community Forestry agreements

- **Coherence with UN Country Programme and Government-Donor Coordination**

The UN-REDD NPD has been produced with full participation of UN agencies and donors operating in the country. There are indications however that Cambodia intends to coordinate implementation with other on-going projects under well-recognized strategies. For example, the RGC's Strategic Framework for Development Cooperation Management for the Forest Sector sets out the principles for aid coordination in the forestry sector, in line with the Paris Declaration on Aid Effectiveness (2005). The framework and the declaration that followed aim to improve aid effectiveness through strengthened national systems and procedures, aid coordination and resource mobilization mechanisms that are based on principles of Cambodian leadership, ownership and mutual accountability to achieve RGC's priorities as set out in the Rectangular Strategy, the NSDP and the CMDGs. Within the forest sector, this will be achieved by following ten principles, including: alignment with the development priorities of the RGC, in particular the NFP.

The main Government-donor coordination mechanism is the Technical Working Group on Forestry and the Environment (TWGF&E), which is co-chaired by the Forestry Administration and a representative selected by development partners (currently DANIDA). The TWGF&E includes members from relevant ministries (Forestry Administration, Ministry of Agriculture Forestry and Fisheries, Ministry of Environment, Ministry of Economy and Finance, Ministry of Land Management, Urban Planning and Construction, Ministry of Industry, Mines and Energy,

Ministry of Commerce and Ministry of National Defence), development partners (AFD, DANIDA, DFID, JICA, FAO, UNDP, USAID and World Bank), and civil society and NGOs. Development and implementation of the National REDD Readiness plan is one of the four key activities for the Forestry sector during 2010-2011, under the Government-Donor Joint Monitoring Indicators. There is therefore strong support from Development Partners for national REDD readiness activities. The principle UN agencies involved in REDD planning were UNDP, FAO and UNEP.

It is concluded that the development and implementation of the Cambodia UN-REDD NP and REDD+ Roadmap could be regarded as a specific country program output of the UNDAF and is strongly supported by the UN Country Team.

- **Government co-financing and coherence with baseline funding:**

The total budget for developing Cambodia UN REDD National Programme was estimated at nearly \$ 4.4 million , of which UN-REDD MDTF allocated about \$ 3 million and the rest came from other sources. It is believed that the contribution of the RCG has been mainly in kind. However, it is anticipated that financing the National Plan would depend on ODA and bilateral development assistance as well as coordination with the many on-going and expected projects in the country. As stated in the UN-REDD NPD, the UN-REDD Programme currently represents the principle source of support to the National REDD+ Readiness. Over the next two years the support provided by the UN-REDD Programme will build capacity for MRV. DANIDA may support implementation of the National Forest Inventory through the NFP. The USAID Programmes (HARVEST and the Asia Regional Sustainable Landscapes) and the ADB may help to support National REDD+ Readiness from 2011 onwards. Most development partners are focused on site-based activities, principally through the UNDP SFM and CALM projects, the DANIDA's NRM Programme, the two USAID programmes and the ADB-BCI. In 2010, the Government of Japan pledged approximately \$ US 9-10 million to the RGC to support both REDD+ and implementation of the National Forestry Programme. These funds are expected to be disbursed from 2012 focusing primarily on infrastructure, equipment, capacity-building and technology, with a particular focus on the MRV system. The UN REDD National Programme will need to coordinate closely with the Japanese Government during implementation of the NP.

2. Level of participation, consultation and engagement

The Cambodia REDD+ Roadmap' has been developed by an inter-ministerial REDD+ Taskforce through a dedicated consultation with civil society and indigenous peoples. Similar modalities should be maintained through the REDD+ Readiness phase. Cambodia has a vibrant and highly professional NGO sector capable of providing considerable assistance to REDD+ development and implementation such as awareness-raising, and REDD+ strategies. There are several recognized indigenous groups in Cambodia as well. The majority of these organisations however owe their existence more to the financial support of international donors.

According to the NPD, the process of consultation with stakeholders has been very inclusive. An inter-ministry REDD+ Taskforce was created by the government with an interim mandate to develop the Cambodia REDD+ Roadmap. Civil Society was represented by Cambodian staff members from the Clinton Climate Initiative and RECOFTC (the Regional Community Forestry Training Center). Development partners were represented by WCS and FAO as observers. Other key stakeholder groups engaged through the Roadmap development process included donors, environmental and conservation NGO's working on REDD+; private sector and Indigenous Peoples groups.

The aims of the consultation process during Roadmap development were to: (a) undertake a mapping of key stakeholders, and their potential role in REDD+; (b) increase awareness and understanding of REDD+ and the National REDD+ Planning process in Cambodia amongst Key stakeholders at national level – in particular within key government bodies; (c) gain input from key stakeholders within and outside of Government on the content of the Roadmap; and (d) develop a clear understanding of what the next steps are for engaging stakeholders within the REDD+ planning process in Cambodia. The process progressed in three phases: 1: Initial Awareness Raising; 2: Small Scale Focused Consultation and 3: National Level Consultation.

It appears therefore that this has been a constructive and fruitful consultation process that should be pursued during the subsequent REDD+ phases.

3. Programme effectiveness and cost efficiency

The Draft REDD+ Strategy and Implementation Framework (Section 4.5 of the NPD) which is also described in “the Roadmap” is quite comprehensive. The main strategy is to support effective management of Cambodia’s forests in accordance with existing laws and policies. It justifiably recommends investigating Innovative Financing models linked to REDD+ such as “Conservation Concessions” and “Payment for Ecosystem Services” which could help the country to gain additional funds from preserving natural resources.

The NPD also details a Results Framework (section 5) which describes how to achieve the main objective of the UN-REDD NP. Four Outcomes will be pursued: (1) Effective National Management of the REDD+ Readiness process and stakeholder engagement in accordance with the Roadmap principles; (2) Development of the National REDD+ Strategy and Implementation Framework; (3) Improved capacity to manage REDD+ at sub-national levels and (4) Design of a Monitoring System and capacity for implementation. The budgets for “Outcomes” and their respective “Outputs” have been reasonably allocated adding up to a total of nearly \$4.2 million almost equally divided over two years. The “Indicative activities for each component” are described against each “Participating UN Organization specific output”. Therefore, the role and financial commitment of each of FAO, UNDP and UNEP are well defined as well as the UN REDD MDTF Pooled Allocations. It is expected that if the NP and Roadmap are implemented as planned and budgeted, they would be cost efficient.

Several development partners have provided vital support to the development of Cambodia’s forest, environment, land and climate change sectors. Some have already committed to provide further support to policy dialogue and Roadmap implementation. Development partner experience will play an important role in linking national and international process. It is important that communication between development partners and government is also clearly maintained to ensure that efforts towards REDD+ are coordinated with other initiatives. Development Partner coordination mechanisms include “The Cambodia Climate Change Alliance (CCCA)” which is a multi-donor initiative funded by SIDA, DANIDA, EC and UNDP.

The NP will be executed as National Execution (NEX) following all relevant government regulations. The signed Cambodia UN-REDD National Programme Document will serve as the Grant Agreement between the RGC (represented by the Council for the Development of Cambodia, CDC) and the UN, supported by the UN-REDD Policy Board decision to allocate the requested funds to the National Programme.

4. Management of risks and the likelihood of success

Chapter 8 of the NPD deals with Monitoring, Evaluation and Reporting in the form of a Table (11) detailing a Joint Programme Monitoring Framework (JPMF). The table is rightfully organized based on “Outcomes” and their “Outputs”. Furthermore, a “Risk Management” procedure is in place. Table 12 describes a Risk Log for the UN-REDD NP with seven potential risk areas. As part of the project assurance functions, the Risk Log and Issue Log will be reviewed on a quarterly basis by the Cambodia REDD+ Taskforce and the UNDP Programme Assurance. The global UN-REDD Technical Secretariat will establish an Evaluation Plan which ensures that all country programmes supported by the UN-REDD Programme will undertake a final evaluation, while the Cambodia REDD+ Taskforce, and participating UN Organizations (UNDP and FAO) shall jointly conduct scheduled/annual planning and review meetings.

It is noticeable however that the administrative processes related to forests in Cambodia are hierarchal and cumbersome to some extent. For example, while the Forestry Administration of MAFF currently has authorization to develop forest carbon sales, however based on the law this applies only to the Permanent Forest Estate that lies under the jurisdiction of the FA, the Ministry of Economy and Finance (MEF) acts as the executive agency of the RGC in managing state properties (including forest carbon) in terms of selling, leasing, transferring, and other arrangements, and granting of various state concessions or contracts for management of state property. All contracts for sale of forest carbon would therefore have to be approved by the RGC, based on MEF’s

recommendation. NPD page 35. On the other hand, the National Climate Change Committee (NCCC) is responsible for preparing, coordinating and monitoring implementation of government policies, strategies, regulations, plans and programs related to climate change. The REDD+ Taskforce formed to implement the REDD+ Readiness phase would send reports to the NCCC so that the NCCC can fulfil its coordination function (see Section 1 of the Roadmap and Section 4.4 of the UN REDD NPD).

In the opinion of the reviewer, such a multiplicity of authorities could pose a risk for implementing REDD Readiness. It is therefore advisable to pay special attention at this early stage to challenges that may confront the next two steps of the process, i.e. putting in place the necessary capacity to implement REDD+ at the national level (including REDD+ Readiness capacity-building and development of new policies and legislation) as well as Step 3 which might include fund-based payments and eventual transitions to compliant markets.

Coordination through and across government will be critical to the success of REDD+. The capacity of several institutions will also have to be increased if strategies for REDD+ are to be effectively implemented. The interim REDD+ Taskforce was formed in January 2010 to lead the REDD+ Readiness planning process in order to ensure balanced discussion and coordination between government agencies in the development of the Roadmap. The establishment of the Taskforce was necessary because it was felt that no national-level body existed at the technical level with a mandate to develop REDD+ Readiness plans. Continuation of this coordination mechanism through the REDD+ Readiness process will be very important to mitigate some risks. This will require proper implementation of Section 1 of the REDD+ Roadmap (National Management Arrangements for REDD+ Readiness).

Another risk factor is that evidence on the performance of community forestry initiatives to reduce forest degradation remains inconclusive. This partly results from the short period since community forestry became formally recognized in Cambodia. On the other hand, current and future demand for woodfuel is seen as a potential cause of forest degradation and deforestation. Although domestic use of woodfuel is not usually associated with deforestation, high levels of commercial demand and the lack of alternative energy sources is causing some concern for the REDD Readiness processes.

It should be mentioned however that some observers believe that the understanding of REDD+ and REDD+ Readiness activities among the general public and some forest professionals is low, as is capacity to implement REDD+ and REDD+ Readiness activities. Overall levels of awareness and capacity will need to be substantially increased before key decisions are made through the REDD+ Readiness process. Awareness-raising should avoid increasing expectations that REDD+ revenues will be available soon.

Conclusion

Based on the present review it is concluded that of the UN-REDD NPD is well prepared and consistent with the UN-REDD Programme Framework Document and comply with the UN-REDD operational guidance. The NPD is formulated based on the UN-REDD National Programme format. It is noticed however that the NP document is longer than anticipated (131 pages) hence a shorter version is in order.

END, 17 October, 2010