



USAID
FROM THE AMERICAN PEOPLE

FOREST CARBON, MARKETS AND COMMUNITIES (FCMC) PROGRAM SEMI-ANNUAL REPORT (APRIL – OCTOBER 2013)

OCTOBER 2013

This publication was produced for review by the United States Agency for International Development. It was prepared by Tetra Tech.

This publication was produced for review by the United States Agency for International Development by Tetra Tech, through a Task Order under the Prosperity, Livelihoods, and Conserving Ecosystems (PLACE) Indefinite Quantity Contract Core Task Order (USAID Contract No. EPP-I-00-06-00008-00, Order Number AID-OAA-TO-11-00022).

This report was prepared by:

Tetra Tech

159 Bank Street, Suite 300

Burlington, Vermont 05401 USA

Telephone: (802) 658-3890

Fax: (802) 658-4247

E-Mail: international.development@tetratech.com

www.tetratechintdev.com

Tetra Tech Contacts:

Ian Deshmukh, Senior Technical Advisor/Manager

Email: ian.deshmukh@tetratech.com

Forest Carbon, Markets and Communities (FCMC) Program

1611 North Kent Street

Suite 805

Arlington, Virginia 22209 USA

Telephone: (703) 592-6388

Fax: (866) 795-6462

Scott Hajost, Chief of Party

Email: scott.hajost@fcmcglobal.org

Olaf Zerbock, USAID Contracting Officer's Representative

Email: ozerbock@usaid.gov

The US Agency for International Development (USAID) has launched the Forest Carbon, Markets and Communities (FCMC) Program to provide its missions, partner governments, local and international stakeholders with assistance in developing and implementing REDD+ initiatives. FCMC services include analysis, evaluation, tools and guidance for program design support; training materials; and meeting and workshop development and facilitation that support US Government contributions to international REDD+ architecture.

FOREST CARBON, MARKETS AND COMMUNITIES PROGRAM

SEMI-ANNUAL REPORT (APRIL – OCTOBER 2013)

OCTOBER 2013

DISCLAIMER

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government

TABLE OF CONTENTS

- TABLE OF CONTENTS i**
- ACRONYMS AND ABBREVIATIONS ii**
- 1.0 INTRODUCTION 1**
- 2.0 ADMINISTRATION 2**
- 3.0 SIGNIFICANT ACTIVITIES/ ACCOMPLISHMENTS 3**
 - 3.1 SOCIAL AND ENVIRONMENTAL SOUNDNESS (SES) 3
 - 3.2 FINANCE AND CARBON MARKETS (FCM)..... 5
 - 3.3 MEASUREMENT, REPORTING AND VERIFICATION (MRV).....7
 - 3.4 LOW EMISSIONS DEVELOPMENT STRATEGIES (LEDS)..... 9
 - 3.5 CROSS-CUTTING ISSUES AND COORDINATION 11
 - 3.6 COMMUNICATIONS AND PERFORMANCE MONITORING 12
- 4.0 ISSUES TO CONSIDER/ RESOLVE 13**
- 5.0 SUMMARY AND CONCLUSION 14**

ACRONYMS AND ABBREVIATIONS

AGRC	Alliance for Global REDD+ Capacity
ANLA	<i>Autoridad Nacional de Licencias Ambientales</i>
CAM	<i>Corporación Autónoma de Alto Magdalena</i>
CAR	<i>Corporación Autónoma Regional</i>
CARPE	Central Africa Regional Program for the Environment
CBMRV	Community-based MRV
CI	Conservation International
COP	Conference of the Parties
COR	Contracting Officer's Representative
DCA	Development Credit Authority
FCM	Finance and Carbon Markets
FCMC	Forest Carbon, Markets and Communities Program
FCPF	Forest Carbon Partnership Facility
FIP	Forest Investment Program
FY14	Fiscal Year 2014
GHG	Greenhouse Gas
GHGMI	Greenhouse Gas Management Institute
GIS	Geographic Information System
GLF	Global Landscapes Forum
ICAA	Initiative for Conservation the Andean Amazon
IDEAM	The Institute of Hydrology, Meteorology and Environmental Studies
IR	Intermediate Result
IUCN	International Union for Conservation of Nature
LEDS	Low Emission Development Strategy
LISA-REDD	Learning Initiative on Social Assessment of REDD+
MADS	Colombian Ministry of Environment and Sustainable Development

MARN	Ministry of Agriculture and Natural Resources
MINAM	Peruvian Ministry of Environment
MRV	Measurement, Reporting and Verification
PMP	Performance Monitoring Plan
REDD+	Reducing Emissions from Deforestation and Degradation “Plus”
REDD+ SES	REDD+ Social and Environmental Soundness Initiative
RFA	Request for Approval
RL	Reference Level
SEI	Stockholm Environment Institute
SES	Social and Environmental Soundness
SOW	Scope of Work
UMD	University of Maryland
UNFCCC	United Nations Framework Convention on Climate Change
USAID	United States Agency for International Development
USAID DEC	USAID Development Exchange Clearinghouse
USFS	US Forest Service
USFS-IP	US Forest Service International Programs
USG	United States Government
VCS	Verified Carbon Standard
WRI	World Resources Institute
WWF	World Wildlife Fund

I.0 INTRODUCTION

Tetra Tech was awarded the Forest Carbon, Markets and Communities (FCMC) Program from the United States Agency for International Development (USAID) in late March 2011. The USAID FCMC Program supports the implementation of the United States National Reducing Emissions from Deforestation and Degradation “Plus” (REDD+) Strategy by building capacity of USAID/Washington and USAID Mission staff to design and implement REDD+ activities, through capacity building of host country governments and civil society, and through implementation of pilot activities in USAID REDD+ priority countries.

The FCMC Program has two major intermediate results (IR). The first IR aims at building shared understanding and technical capacities on tools, methodologies, and approaches that contribute to the international REDD+ architecture. This consists both of building capacity of international stakeholders and building capacity of USAID staff. The second IR focuses on working with countries on REDD+ readiness activities to undertake actions at a scale that will help them to meet their national commitments. Under this work, local capacity will be built and tools and methodologies will be field-tested. Actions and deliverables under these two IRs focus on four technical areas:

- 1) Social and Environmental Soundness (SES) for REDD+;
- 2) Finance and Carbon Markets (FCM);
- 3) Forest and Terrestrial Greenhouse Gas (GHG) Measurement, Reporting and Verification (MRV); and
- 4) Low Emissions Development Strategies (LEDS).

In addition to these technical areas, a fifth element was introduced in April 2012 titled “Cross-Cutting,” with the objective of making links and integrating work, where appropriate, between the thematic areas and undertaking activities that are clearly cross-cutting in nature.

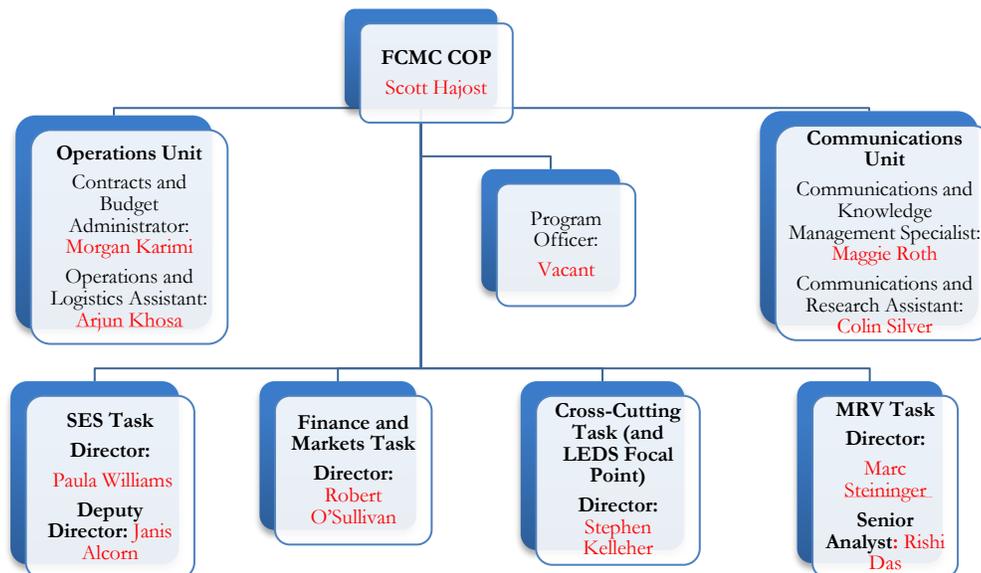
This semi-annual report discusses activities and achievements from April 16, 2013 through October 15, 2013.

2.0 ADMINISTRATION

During this reporting period, the most significant administrative change was the designation of a new FCMC USAID Contracting Officer's Representative (COR), as Erik Streed, the previous COR departed for the USAID Mission in Indonesia. Olaf Zerbock was designated as Erik's replacement, and Evan Notman as Deputy COR. The transition was handled smoothly to maintain activity implementation. This period also saw the departure of FCMC Program Officer Ani Zamgochian, who left the project to begin work as a Foreign Service Officer at USAID. Below is an organization chart depicting the internal FCMC structure.

With the culmination of Fiscal Year 2013, two major activities were undertaken during the latter part of this reporting period. Working with USAID activity managers and implementing partners, the team prepared and submitted its fourth work plan, covering Fiscal Year 2014 (FY14). The work plan contains detailed projections for activities within each task, as well as visions for FCMC's final full year of implementation and an indicative budget for the extended life of the project. Also in October, FCMC prepared and submitted a report on the Performance Monitoring Plan (PMP) that covered October 1, 2012 to September 30, 2013. The PMP submission assesses the FCMC project's success against a series of five indicators, as agreed upon with USAID.

With its recent six-month, no cost extension, FCMC is now a four year (48 month) initiative.



3.0 SIGNIFICANT ACTIVITIES/ ACCOMPLISHMENTS

3.1 SOCIAL AND ENVIRONMENTAL SOUNDNESS (SES)

During the period of April – October 2013, the SES Task completed some important activities and made significant progress on other activities, including: finalization of the review paper on Methods for Social Assessment and Evaluation of Program-level REDD+ in support of the Learning Initiative on Social Assessment of REDD+ (LISA-REDD) initiative; the stakeholder engagement in REDD+ report; a briefing paper on SES, based on the FCMC Airlie Workshop; ongoing finalization of the community forestry lessons for REDD+ reports; consolidation of materials from the first training workshop held in Bangkok; ongoing planning for two SES regional workshops to be held in Africa and Latin America; and submission of the initial analysis from the biodiversity safeguards and standards, as well as initial reports from the national safeguards system work in Colombia. In addition, SES staff represented FCMC at various international meetings.

The stakeholder engagement review paper was approved and posted on the FCMC website (www.fcmcglobal.org). A briefing paper on social dimensions of REDD+ was approved by USAID, and a revised version is awaiting final clearance to make public. FCMC is working to complete the review, editing, and finalization of four reports that cover lessons learned from community forestry and their relevance for REDD+. Three reports are regional – covering Africa, Latin America and Asia – and a fourth report synthesizes material from the other three reports.

Preparations continue for the African regional training workshop on SES in REDD+ to be held for USAID, government, non-government, academic and research participants from eight countries in Central and West Africa. The SES Task Lead and Cross-Cutting Task Lead are developing ideas with colleagues in the US Forest Service-International Programs (USFS-IP), and the West Africa Regional Mission of USAID. The meeting will be held in Ghana from February 17-21, 2014. A survey has been prepared and sent to key resource people to rate workshop topics in terms of priorities and to suggest possible participants. USFS-IP has contracted the workshop facilitator.

Preparations for the Latin American SES regional workshop, to be held in March 2014, continued during this period. The workshop will be held in collaboration with the USAID long-term, regional Initiative for the Conservation of the Andean Amazon (ICAA) project and is envisioned as being hosted by a Ministry of Environment in one of the countries where ICAA operates, probably Peru, where the workshop can contribute to Peru's preparations for the United Nations Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP) 20, which is to be held in Peru in late 2014. The workshop will provide an opportunity for government, civil society, development banks, indigenous organizations and USAID staff from Mexico, Brazil, Costa Rica, Colombia, Ecuador and Peru to share lessons learned from the development and application of safeguards and standards in REDD+, the Forest Investment Program (FIP), and infrastructure projects. A draft agenda was prepared in collaboration with ICAA in consultation with Bank Information Center and Inter-American Development Bank, and will be finalized in collaboration with the Ministry of the host country. A participants list is under development in collaboration with ICAA Support Unit.

The Colombia National REDD+ Safeguards project, led by the Colombian Ministry of Environment and Sustainable Development (MADS) and World Wildlife Fund (WWF)-Colombia, produced a summary of key

safeguards themes of concern to communities, and baseline documents on existing laws and policies related to REDD+ safeguards, with FCMC support. A draft document describing the national Safeguards Advisory Committee was produced and next steps are under discussion with MADS.

In June, FCMC initiated support to upscale the safeguards work in San Martin region, Peru, led by FCMC consortium member Conservation International (CI) in coordination with the Nested REDD+ Social and Environmental Standards Safeguards (REDD+ SES) initiative. This project is implemented under the guidance of the Peruvian National Ministry of Environment (MINAM) and its National Program for Conservation of Forests for the Mitigation of Climate Change. A safeguards specialist, placed in the San Martin regional government, initiated establishment of a regional multi-stakeholder Safeguards Committee and a Standards Committee for REDD+ SES. In coordination with the WWF, Rainforest Alliance and USAID's regional ICAA project, a series of MINAM safeguards workshops are being held with Loreto, Ucayali and Madre de Dios regional governments, using the San Martin model, in order to construct national safeguards systems in Peru. With FCMC support, the head of MINAM's Safeguards and Communications team participated in a global REDD+ SES network's workshop in Jakarta, Indonesia in July. An international workshop in October on safeguards information systems will enable MINAM to share Peruvian safeguards advances with their colleagues from Ecuador, Mexico, Costa Rica and Honduras.

In June, FCMC supported a successful national workshop on REDD+ Safeguards in Honduras, hosted by the government of Honduras in collaboration with FCMC and USAID's ProParque project. FCMC provided feedback on the agenda and provided technical assistance from Climate, Conservation and Biodiversity Alliance secretariat based at CI. The workshop resulted in the creation of a national Safeguards Working Group, comprised of agroforestry, academia, civil society and indigenous groups, to advise the Honduran government on safeguards practices.

CI's inception report and work plan for the Biodiversity Standards Review was approved in July. In September, FCMC and USAID feedback was provided on the first draft deliverables of three reports produced under this activity: a project-focused review; a national approach-focused review; and a standards-focused report that incorporates finding from the first two reviews. Draft deliverables presented for comment during this period included: a draft comparative matrix of safeguards standards and policies relevant for biodiversity to guide the standards-focused report; and draft report from a review of biodiversity goals, monitoring methods, and short-term impacts of REDD+ projects. The final reports will contribute to training materials for the SES workshops in 2014.

A Scope of Work (SOW) was approved for piloting social assessment guidance and methods in one country in West Africa, possibly in collaboration with the Forest Carbon Partnership Facility (FCPF). This piloting will build on the work already done with the Learning Initiative on Social Assessment of REDD+ (Nairobi workshop, May 2012) and the FCMC review of social assessment and evaluation methods. This work will be undertaken in late 2013-early 2014.

Work resumed on legal literacy and advocacy vis-à-vis REDD+. The focus of the work has shifted away from a donor workshop towards production of resource materials, such as a power point presentation with presenter notes, several short case studies, and a brief overview paper. These materials will be used in the upcoming Africa training workshop and shared on the FCMC website. The SOW will be finalized in October.

The consultant review of methods for assessing and evaluating social impacts of program-level REDD+ was completed and disseminated. This work was in support of the activities of LISA-REDD. Core members of the LISA-REDD group plan to use the consultant report as input for a resource guide on social assessment, . A page on the FCMC website now provides this report and all of the other LISA-REDD materials, including presentations from the Nairobi workshop.

The SES Task collaborates with other tasks on several activities – including the Shifting Cultivation, Deforestation, REDD+ and Gender Study in Central Africa, preparation for the Mangroves and REDD+

workshop (to follow the Africa SES workshop in Ghana), and the Alliance for Global REDD+ Capacity (AGRC) work on the development of a REDD+ competency framework.

SES also participated in international meetings to highlight FCMC's work, provide FCMC SES expertise to international initiatives, and stay abreast of relevant ongoing SES work.

The SES Task Lead participated in the final workshop on updating USAID's Nature, Wealth and Power paradigm and presented FCMC capacity building work in a technical workshop on the AGRC competencies framework, an activity managed by the FCMC Cross-Cutting Task Lead. This three-day workshop was held in Front Royal, Virginia. In late September, the SES Task Lead also attended, while on leave, a field dialogue on benefit-sharing in REDD+ in Vietnam, organized by The Forests Dialogue.

The Deputy SES Task Lead traveled to Peru, Colombia and Switzerland for meetings during this period. In Peru, she held a series of meetings with USAID/Peru and the ICAA Support Unit related to planning of the SES regional training workshop, as well as the finalization of the SOW for support to the REDD+ Nested Social and Environmental Standards work to be done with CI in San Martin. In Colombia, she met with MADS, WWF, GIZ (German foreign aid agency), USAID/Colombia and others to discuss the progress on the safeguards development activity being funded by FCMC and also assisted MADS staff in planning the Strategic Environment and Social Assessment workshops – a critical step in their FCPF REDD+ readiness. She also discussed the possibility of holding the regional SES workshop in Colombia.

In addition to Colombia, the SES Deputy Task Lead also represented FCMC at several other international meetings during this period, including: the IX Congress of the Latin American Network on Forest and Environmental Rights in Lima, Peru; a planning meeting at International Union for Conservation of Nature (IUCN) headquarters in Gland, Switzerland, to kick off work on development of a Natural Resource Governance Framework. She subsequently served on the Steering Committee and participated in the Natural Resource Governance Framework Inception Workshop in Airlie, Virginia. In September, the SES Deputy Task Lead represented FCMC at the global meeting on Scaling Up Strategies for Community Land and Resource Rights, co-organized by Helvetas Swiss Intercooperation (Helvetas), International Land Coalition, IUCN, Oxfam, the Swiss Agency for Development and Cooperation, and the Rights and Resources Initiative, in Interlaken, Switzerland.

3.2 FINANCE AND CARBON MARKETS (FCM)

The FCM task made progress on a number of tasks over the last six months. FCMC continued supporting the FCPF Carbon Fund to develop its Methodological Framework; hosted an event in New York City and another in Arlington, Virginia; prepared a background paper on US experiences with results-based finance for a closed door donor meeting attended by USAID and the State Department; provided technical and travel support to a closed door donor meeting on REDD+ safeguards in bilateral finance attended by USAID and the State Department; initiated a new SOW to provide additional support for the Development Credit Authority (DCA) to develop its new loan guarantee product for a portfolio of REDD+ projects; continued support for the REDD Desk; and continued work on supporting the development of a guidance document for jurisdictional and nested REDD+ accounting for the Verified Carbon Standard (VCS), including travel to Manaus, Brazil to provide technical assistance at a workshop. The Colombia Finance and Markets Assessment was approved and translated into Spanish and additional follow on work on finance and market readiness in Colombia was approved. A new SOW to support the Tropical Forest Alliance 2020 was developed and approved. Additional SOWs for FY14 work plan are under consideration.

The technical assistance provided to the FCPF includes; completing a background paper on Emissions Reduction Program Operational and Financial Planning for the Third Design Forum; attending and presenting the paper at the Third Design Forum; FCM Task Lead providing ongoing technical support as part of the Technical Advisory Panel to draft the Methodological Framework for the FCPF Carbon Fund (leading drafting on sections dealing with carbon rights, operational and financial planning, MRV and leakage

and providing input on all other sections); and travel to Paris to provide technical assistance at a Carbon Fund Working Group meeting on the Methodological Framework. A new SOW to support a fourth background paper for the Carbon Fund was approved late in mid-September 2013 and work on this has commenced. The FCPF Fund Management Team continues to appreciate the support provided by FCMC, which is expected to continue through FY14.

FCMC hosted an event with Bloomberg New Energy Finance in New York City on April 22. The event occurred the morning of Bloomberg's annual Summit and attracted a number of attendees from the Summit. The event focused on emerging opportunities in the forest carbon markets and showcased existing FCMC work products and drew upon recent developments in other agencies. It included speakers from Terra Global Capital, DCA, the Overseas Private Investment Corporation, and the Multilateral Investment Guarantee Agency. Approximately 130 conference attendees and other interested individuals registered for the event, though a smaller number (approximately 40) attended. Video interviews recorded after the event will be edited and made available online. A similar event was hosted on April 26 in Tetra Tech's offices in Arlington, Virginia. The Arlington event focused on policy aspects and included discussion of the Colombia Finance and Markets report which was not presented in New York. It was well attended, with over 40 participants who were actively engaged throughout.

The report on US experience with results-based finance summarized US domestic and foreign assistance experience with results-based finance along with challenges to the US Government (USG) committing further results-based finance funds for REDD+. It was submitted as an independent background paper to an off-the-record meeting in London on donor governments' experiences with results-based finance to-date.

FCMC contributed to a project on REDD+ safeguards and bilateral finance primarily funded by the Climate and Land Use Alliance and led by the World Resources Institute (WRI) and Climate Focus. The FCM Task Lead and FCMC Program Officer provided background research and input into a framing paper on REDD+ safeguards and bilateral finance and FCMC supported WRI's travel to a closed door donor meeting held in London. Additional follow up work by FCMC staff is expected in FY14.

Earlier support FCM provided to DCA enabled DCA's Strategic Transactions Group to make significant progress on the legal and commercial aspects of providing loan guarantees for REDD+ and other carbon market projects. Additional legal support to help DCA close its first transaction and support follow on transactions was approved in July. The work will continue into FY14.

The REDD Desk task continued as planned. The basic design and layout of the new pages are completed and the content for the new site is currently under peer review. The Global Canopy Program has delivered high-quality work in a timely manner and the work continues to move along as scheduled.

The work on the guidance document for the VCS's Jurisdictional and Nested REDD+ continued. FCM Task Lead attended and presented at a three day workshop in Manaus, Brazil, from June 12-15, titled "South-South Jurisdictional and Nested REDD+ Exchange Workshop." The goal of was to exchange practical information and lessons learned among countries and jurisdictions that are moving forward with structuring jurisdictional approaches for REDD+. Participation from national and subnational governments included: Colombia; Costa Rica; Chile; Ecuador; Ethiopia; Ghana; Guatemala; Indonesia; México; Acre (Brazil); Amazonas (Brazil); Amapá (Brazil); Mato Grosso (Brazil); Pará (Brazil); and Tocantins (Brazil), with a representative observer from Brazil's Federal Ministry of Environment. A final draft of the guidance document was completed for the VCS's review on October 1, 2013. Additional peer review will continue in FY14 and the final document is expected to be released in March 2014.

The Colombia Finance and Markets Assessment was approved and translated into Spanish. A new SOW to travel to Colombia to discuss follow up work with the government and USAID mission was approved. The travel to initiate the follow up work was postponed due to the government of Colombia placing a pause on meetings with all international donors regarding REDD+ activities as they discuss and determine their own

priorities internally. This pause was recently lifted and Terra Global Capital traveled to Colombia in late September to initiate the follow on work.

A new SOW to support the USG's involvement in Tropical Forest Alliance 2020 was approved in September. The new task will produce three background papers on barriers to producing sustainable commodities in a selection of countries and one white paper which will present a series of recommendations the USG could take to support a transition to deforestation free commodities in these countries. The background papers will be on palm oil in Indonesia, potential palm oil in Africa, and three agricultural commodities in Colombia. The white paper will draw from the background papers to produce a series of recommendations on how to overcome barriers and incentivize a transition to deforestation free commodities in these countries, with a focus on recommendations that deal with financial options. Kick-off meetings were held with USAID and the FCMC consortium partners leading the work – Terra Global Capital and CI. Input was also received from USAID's Colombian mission and USAID's Liberia mission has expressed a strong interest in being involved in the work. The SOW will be presented to the USG's inter-agency working group on Tropical Forest Alliance 2020 (including US Department of Agriculture, USFS, Environmental Protection Agency, US Trade Representative, State Department, and US Treasury Department) to collect additional information and input from USG more broadly. An open dialogue with the USG is expected to continue. The work will continue into FY14.

3.3 MEASUREMENT, REPORTING AND VERIFICATION (MRV)

The MRV manual has been through a thorough review with extensive comments provided by multiple agencies and institutions, including the USFS, NASA, SilvaCarbon technical advisors, and the State Department. Version 1.1 of the manual was completed and submitted to USAID for approval and clearance for public release. Several venues were identified for publicizing the manual, including the UNFCCC COP meeting in Warsaw this November. At the COP, a proposal for a FCMC booth exhibit at the Global Landscapes Forum to highlight the MRV manual and other FCMC products was accepted. FCMC potentially will be included in a SilvaCarbon event at the USG Center during the COP. Whether or not this happens is pending further discussions between SilvaCarbon and the Department of State.

In July, the MRV group held a planning meeting for designing Version 2.0 of the MRV manual. This small set of participants, including one current author and a SilvaCarbon Technical advisor, as well as the MRV Task Lead and CI, identified potential venues for presenting and publicizing the manual and developed a communication agenda for Version 1.1. The communications agenda is currently being implemented. During the one-day workshop, the group also: i) identified a range of potential authors to contact regarding contributing to Version 2.0; ii) identified a suite of revisions and potential additional topics for consideration in Version 2.0; iii) discussed redesigning the manual into three tiers, each tier representing an increasing level of detail and depth; iv) discussed a communication and feedback process via regional workshops.

The translation of the Greenhouse Gas Management Institute (GHGMI) online REDD+ project developers course was completed. Coordination with GHGMI is now underway to get the translated materials uploaded to their website, as well as to arrange licenses for course attendees from Latin America and USAID missions.

FCMC participated in the Global Forest Observations Initiative Space Data Coordination Group meeting in California in September. One of the major goals of the meeting was to understand both the MRV status and space data needs and requirements of several countries including Ecuador, Colombia, Peru, Guyana, and Mexico and, thus, identify ways to effectively support the forest monitoring activities of these countries. FCMC also participated in the Americas Capacity Building Coordination meeting hosted by SilvaCarbon. Along with presentations by USFS on field activities in Central America and Mexico, as well as Rainforest Alliance, FCMC presented an overview of the FCMC project, MRV activities in Colombia and Peru, and a summary of the MRV manual.

FCCM helped to organize, host, and facilitate a workshop for partners of USAID's Central African Regional Program for the Environment (CARPE) on forest monitoring in Arlington, Virginia. This workshop included presentations from CARPE partners working on satellite-based monitoring for the region, and also others from academia conducting relevant research on monitoring. This was to provide CARPE with insights into possibilities in forest monitoring for considering during its preparation for the next CARPE phase.

An activity to compare satellite-based methods for monitoring deforestation at the national level will soon be defined in a SOW. The MRV team has had a series of calls with leaders of the major laboratories that have produced methods for semi-automated national forest monitoring. Partners have responded positively about the importance of the study for countries and their interest in participating in it. A SOW will be submitted soon to allow for a start-up workshop in November. The workshop would further define the study design, which will include comparisons of methods over forests in various conditions (e.g., mountainous, dry-seasonal), as well as case study reviews on national implementation, probably from Peru and Colombia.

The MRV activities in Peru saw much progress during this period. Forest cover and deforestation products for multiple time periods have been produced by MINAM with continued capacity building by the University of Maryland (UMD). These products were adopted by other departments within MINAM, as well as initiatives such as the Amazon Cooperation Treaty Organization. Validation activities were implemented, including the generation of a validation dataset, based on image interpretation by remote sensing analysts independent of the FCCM project. This dataset provides the basis for validating other regional and national level products in Peru and can be further expanded as additional data become available. FCCM also participated in a workshop in July organized by MINAM to begin to provide an introduction to technical analysts from several regional government departments and other institutions on a range of forest monitoring-related topics. Finally, FCCM and MINAM completed the definition of the topics and timeline for the series of regional capacity-building workshops as part of this activity.

In Colombia, the MRV team has worked with the Institute of Hydrology, Meteorology and Environmental Studies (IDEAM) and the Ministry to define work plans for two activities: support on Modeling for Reference Levels (RL); and Community-Based MRV (CBMRV) and Alert Systems. The SOW for the RL activity was approved and the activity began. This includes a number of in-country contracts for improvements to data and methods for regional and national-level modeling. The regional level will include the Pacific region in coordination with the BioREDD program. A training session on economics-based land-use modeling methods was held in the CI headquarters office during the last week of August, where many methodological issues were identified, including those around data gaps, quality, surrogates, and implications for model scenarios. This workshop also led to the definition of the terms of reference for the economist who will play a key role in this activity, data analysts who will work with him and IDEAM, and coordination with data providers associated with the BioREDD program.

The second activity on CBMRV is soon to be defined in a SOW, which will include a component to support in-country regional workshop meetings between the national government, regional governments (*Coorporaciones Autonomias Regionales - CARs*) and selected community representatives. In these meetings, reviews of possible community contributions to national MRV systems will be presented, and inputs from communities on their views will be solicited in order to help the national government strategize possible roles for communities in its national MRV system. The second component will be to test implementation of near-real time monitoring tools linked to the CARs and communities. These tools can be fully or partially automated to provide alerts for deforestation, fires, and high-flammability conditions, which can be sent out as emails or text messages to user communities. Ultimately, the implementation would transfer from the national government to CARs, community representatives and protected areas; managers would be the audience receiving alerts.

3.4 LOW EMISSIONS DEVELOPMENT STRATEGIES (LEDS)

The LEDS portfolio maintained its two focal areas of support. These are in Huila, Colombia, to support the development of a climate change action plan, the first of its kind on the sub-national (Department) level; and assisting the Government of Guatemala to increase its capacity on GHG inventories of key development sectors in the LEDS context.

In April, FCMC commissioned a brief report that summarized the activities undertaken during the first year of implementation of the Huila 2050 project. This report included analysis of workshop outcomes, as well as a vision moving forward. It is been posted on the FCMC website and distributed amongst internal colleagues.

FCMC finalized a contract and budget amendment for Colombia partner E3, allowing continued coordination of the “Huila 2050 Vision for Climate Change” through the end of March 2014. Also during the quarter, E3 and the *Corporación Autónoma de Alto Magdalena* (CAM), Huila’s Environmental Authority, organized two important workshops to advance the implementation of Huila 2050: Preparing for Climate Change Initiative.

The first workshop was to identify indicators for climate change vulnerability on Huila and was held in Bogota. The main objective was to initiate the process to select indicators that will be used in the climate change vulnerability assessment, and for the monitoring and evaluating of actions that will be included in the Action Plan. There were diverse stakeholders present who are key to the selection of indicators, including Rodrigo Suarez, the Climate Change Director at the Ministry of Environment and Sustainable Development, and Rey Ariel Borbon, Director of CAM, the institution leading Huila 2050. There were also other representatives from the Climate Change Unit of the Ministry, as well as from CAM, IDEAM, the National Planning Department, the National Agency for Environmental Licenses, USAID/Colombia, Stockholm Environment Institute (SEI), FCMC and E3. In addition, 4D Elements, the consulting company retained to undertake the priority information management system for CAM, was in attendance. The workshop provided the opportunity for participants to work in small focus groups to review and prioritize indicators on the key themes of the Climate Change Action Plan: biophysical; political and institutional; social and cultural; and sectoral economics.

The second workshop was a Stakeholder Mapping Workshop held in Neiva, the capital of the Department of Huila. The main objective was to identify relevant stakeholders related to the development and implementation of the Climate Change Action Plan, explore and map power relationships and gauge the relative influence of different stakeholders. Stakeholders represented key institutions and sectors in Huila including CAM, rancher associations, coffee producers associations, the governor’s office, an environmental nongovernmental organization, local universities and E3. Working in small sectoral groups organized around water, biodiversity, and livestock and agricultural production, participants prepared maps of various stakeholders (both present and not present), their level of influence on climate change mitigation and adaptation actions, and their attitudes toward these actions. The outcomes of this workshop informed the development of a survey tool to gather additional information on stakeholders implicated in the development and implementation of the Climate Change Action Plan, and their influence and interest in the issue.

Additional meetings and workshops held over the reporting period included: the third meeting of Huila Council on Climate Change; a training workshop with Abt Associates where the outcomes of the modeling of six sub-catchments were presented and the model was then turned over to CAM; the second meeting of the Huila Climate Change Technical Committee; a technical training workshop with SEI in Huila on the Water Evaluation and Planning hydrological model; and a second workshop on Exogenous factors, Levers, Responses, and Measure, which gathers information about scenarios, indicators, and possible adaptation measures using participatory techniques.

In addition, a contract was signed with 4D Elements to create a geo-database that can be imported into a national Geographic Information System (GIS), which will allow CAM easy access to the nationally generated

GIS information relevant for Huila. To advance this a formal agreement signed between the *Autoridad Nacional de Licencias Ambientales* (ANLA – the Authority for Environmental Licenses) that allows CAM to access ANLA’s GIS platform. A proposal was also developed and submitted to Tetra Tech to enhance 4D’s role to undertake the full Huila vulnerability assessment. Also, a new USAID-supported Climate Change Coordinator for CAM was hired, and coordination continued with the International Center for Tropical Agriculture on projections of climate change on land suitability for the main crops in Huila (coffee, "cold weather" fruits, rice, cocoa, tobacco).

A detailed report on the activities in Huila for the period July 16 through October 8 was submitted for review to FCMC in early October. The report includes updates on the work of partners under sub-contract through E3 and those supporting Huila through non-FCMC funding. A revised executive summary of the report “Identification of Public and Private Resources That Could Be Channeled To Climate Change Mitigation and Adaptation In The Department Of Huila” was also submitted for review. The revision takes into account comments provided by the Task Lead to better balance mitigation and adaptation resources.

Finally, in late September, representatives from the Huila 2050 project traveled to Costa Rica to participate in a workshop hosted by the Center for Tropical Agriculture, Research and Education as part of their Inter-American Scientific Conference Series. The workshop, titled “Climate-smart territories in the tropics,” created a forum to share Latin American experiences with green development and institutional policies necessary for low emissions growth. The team created a poster that describes some of the activities ongoing in Huila which included FCMC and USAID support.

For the Guatemala LEDS activity, the report for the first phase of work, which provides an institutional assessment and sector analysis for LEDS in Guatemala, was finalized, translated into English and approved by USAID. Both the English and Spanish versions are available on the FCMC website. The report analyzes the institutional capacity of the Ministry of Environment and Natural Resources and the Secretariat for Planning and Programming of the Presidency to lead a LEDS program from a technical and planning perspective. Subsequently, an assessment of the methodologies used in calculating GHG inventories at a macro level is provided. Lastly, for the key sectors (energy, industry, transportation, agriculture, forestry and land use) opportunities for improvement of the inventories and key opportunities for mitigation are discussed, and steps for the development of an action plan for each sector are proposed.

A SOW was approved for a follow-on phase two of LEDS work in Guatemala. This work comprises the development and implementation of a four-to-five facilitated workshops, or seminars of one to two days each. The workshops will each include a basic education component on GHG emissions inventories with a strong focus on land use issues (broadly applicable beyond Guatemala) and a hands-on/facilitated session addressing specific issues identified in the previous FCMC-supported assessment. Proposed workshop topics subject to final mission and government approval an overview workshop on the background of the topic and work done to date; a second workshop focusing on agriculture; a third workshop with a focus on land use change and forestry; and a final workshop on a topic to be determined as a function of the prior workshops. Activities related to this work will be carried out in coordination with other relevant initiatives and actors working in Guatemala, including Rainforest Alliance, WWF, Inter-American Development Bank and others.

A planning meeting with USAID/Guatemala and key government partners took place the first week of October 2014. The planning meeting was extremely beneficial for moving forward. Meetings were held with USAID/Guatemala, WWF and the Ministry of Agriculture and Natural Resources (MARN) to update the status of activities and discuss the planned workshops. A positive development is that MARN is taking new leadership of many LEDS-related activities. New consultants are being hired to staff Climate Change Units in at least six ministries, and as a result, it was agreed upon by all partners that the workshops should start in February 2014, rather than this year. In addition, there was an all-day Guatemala Climate Change meeting sponsored by USAID and IDB, effectively a donor coordination meeting, which provided an opportunity for a panoramic view on climate change in Guatemala, and provided input into a roadmap for moving forward on LEDS and other activities.

3.5 CROSS-CUTTING ISSUES AND COORDINATION

Several Cross-Cutting tasks advanced during this reporting period, including the East Africa Re-greening Study, the study on Shifting Cultivation, REDD+ and Gender in Central Africa, support to AGRC, and defining and programming activities in West Africa.

The East Africa Re-greening Study made significant strides. Tetra Tech Senior Associate and FCMC Senior Technical Advisor/Manager, Ian Deshmukh, is the team leader. With a Nairobi-based consultant serving as Deputy Team Leader, the team undertook scoping missions to Uganda and Ethiopia for the ECOTRUST/Plan Vivo project in Uganda and the World Vision Humbo Farmer Managed Natural Regeneration project in Ethiopia in March. This was followed by full team field visits (adding a US MRV expert and, in each country, local forestry and social science specialists) from late April through late May. A scoping visit to Kenya took place in the final week of May and the field work in Kenya looking at the Green Belt Movement and The International Small Group Tree Planting program took place in July. This wrapped up the field elements of the study. At the end of each field visit, a one-day verification and feedback workshop was held with local stakeholders and USAID mission personnel. The Team Leader traveled to Washington, DC and provided an initial brief to USAID and FCMC.

The East Africa activity is progressing smoothly, with excellent collaboration between the projects being studied and the team. The study will assess how the various projects that were studied experienced varied social, environmental and carbon standard circumstances, and present common elements and divergences regarding carbon income, biodiversity conservation and social and environmental co-benefits as these three countries, and USAID, move towards REDD+ programming. An initial draft of the field outcomes was submitted to FCMC for review in early October, which will be revised and sent out to informants for review later in October.

The Cross-Cutting Task Lead, with strong support from the Operations and Logistics Assistant, co-organized and participated in a workshop in Arlington, Virginia, focusing on a series of technical tools developed by formal and informal CARPE partners. Representatives from a wide range of organizations including USAID, UMD, WRI, USFS and several other partners were present. The workshop was led by Ken Creighton, the CARPE Senior Global Climate Change Specialist based in Kinshasa. FCMC staff co-organized the event with support from USFS-IP and their Training Resources Group. Over two days, several organizations presented toolkits they had developed to support biodiversity conservation and climate change resilience at national, regional and landscape levels. Participants from the Food and Agriculture Organization of the United Nations and USFS gave presentations on Recreation Site Alignment Processes, MRV, and LEDS. FCMC SES Task Lead Paula Williams was part of a panel that discussed Social and Environmental Soundness and Safeguards, and Safeguard Information Systems. FCMC MRV Task Lead Marc Steininger, along with representatives from the African Wildlife Foundation and Wildlife Works, presented on REDD+ activities at landscape and jurisdictional levels.

It was decided with USAID that the comprehensive Shifting Cultivation, REDD+ and Gender Study in Central and West Africa would be divided into two separate studies. The focus during the reporting period was on advancing the work on the study for Central Africa, with a decision on whether to move forward on a West Africa study to be taken in early FY14. It is possible that funds for the West Africa study could be reprogrammed to support CARPE in addressing the implications for shifting cultivation, REDD+ and gender. In spite of several logistical and editorial challenges, the Central Africa study advanced significantly. All field work in the Democratic Republic of the Congo and Cameroon was completed and a draft report, case studies and annexes were prepared and submitted to FCMC for review. FCMC edited the draft, which was more time consuming than anticipated, and submitted it to informant and institutional partners, including the Center for International Forestry Research, for initial review. Based on feedback received, USAID and FCMC will discuss the possibility for additional, complimentary work to be undertaken to advance the final report.

Follow-up discussions took place between USAID Washington and the West Africa Regional Mission, USFS and FCMC on possible activities to be undertaken in West Africa based on the options paper from a scoping mission that was prepared in last reporting period. It was agreed that it would be valuable to organize a workshop on REDD+ and Mangroves in West and Central Africa. A concept note was developed and circulated for review by USAID/Washington and the West Africa Regional Mission. The concept was well received and, based on that, a SOW was prepared, submitted and approved by USAID. The workshop is intended to raise awareness among policy makers and practitioners about the potential for REDD+ in mangrove ecosystems, how to better integrate mangroves into National REDD+ Strategies and projects, and provide an opportunity to exchange ideas and generate concrete proposals on how to advance this topic in participating countries. Planning has begun with USFS on identifying participants and resource people, as well as securing logistics support in Ghana. The workshop is scheduled for February 2014.

The AGRC REDD+ Competencies Framework, led by CI, was completed in draft. A three day experts workshop was held in Front Royal, Virginia in July to provide feedback and inputs on the draft Framework. Participants included AGRC members, as well as USAID and FCMC staff. The workshop provided the opportunity for break out groups to review in detail the main technical competencies included in the Framework and provide detailed and valuable comments as well as additional relevant content. Based on the outcomes of the workshop, CI undertook a substantial revision, which was submitted to FCMC and AGRC partners for review on October 10. Based on feedback, a final version will be submitted to USAID for approval in mid to late October. In addition, the Framework was presented at a side event to the UNFCCC Subsidiary Body on Scientific and Technical Advice in early June and benefited from the participation of Evan Notman, USAID FCMC MRV Activity Manager, who was on the US Delegation to the meetings. The event was considered a success as gauged by the number of participants and interaction with the panel, with detailed information available on the FCMC website. A proposal to present the final Framework at the next UNFCCC COP in Warsaw has been submitted to various organizers, including the US Center, and replies are pending.

3.6 COMMUNICATIONS AND PERFORMANCE MONITORING

FCMC's dedication to strategic communications continued during this reporting period. The project's email distribution list grew and was utilized for multiple outreach efforts, including two well-received quarterly newsletters and 20 web stories.

The Communications Team continued to carry out adaptive management and expansion of print materials, including the implementation of brochures that cover FCMC's cross-cutting work in regions and countries such as Peru, Colombia, and West and Central Africa. A publications briefer was also created, as well as a revised Spanish version of the FCMC program brief. As decided upon by FCMC's COR, work has begun to upload all relevant FCMC documents to the USAID Development Exchange Clearinghouse (DEC), and this will continue into the future as new documents are approved for public dissemination.

The FCMC website continued to grow, with several new documents and web stories posted. Compared to the last reporting period, this period saw a 50 percent increase in unique visitors to the website, a 19 percent increase in visit duration, and a 35 percent increase in overall page views. The share of traffic to the website being sourced from search engines and external sources increased from 57 percent to 63 percent. Work advanced on expanding the reach and audience for FCMC products and materials, including outreach to climate listservs. At the end of September, FCMC shared knowledge products and supporting material to the US State Department for the REDD+ Partnership workshop in Indonesia in October.

On October 1, FCMC prepared and submitted a report on the PMP that covered the reporting period of October 1, 2012 to September 30, 2013. The report assessed FCMC's ability to meet targets, address previously held assumptions, and discuss the effectiveness of data collection methods. In addition, FCMC recently updated its targets related to indicators in its PMP and standardized templates for data capture. Following the most recent update, FCMC's indicators are as follows:

- Indicator 1 - Number of days of USG funded technical assistance in natural resources management and/or biodiversity conservation provided to counterparts or stakeholders
- Indicator 2 - Number of days of USG funded technical assistance in climate change provided to counterparts or stakeholders
- Indicator 3 - Person hours of training completed in climate change supported by USG assistance
- Indicator 4 – Number of institutions with improved capacity to address climate change issues as a result of USG assistance (Sustainable Landscapes)
- Indicator 5 – Number of laws, policies, strategies, plans, agreements, or regulations addressing climate change (mitigation or adaptation) and/or biodiversity conservation officially proposed, adopted, or implemented as a result of USG assistance (Sustainable Landscapes)

4.0 ISSUES TO CONSIDER/ RESOLVE

FCMC activities advanced significantly during this six-month period. In implementing the Year 4 Work Plan, the team is looking through the remaining life of the project, including the approval of a six-month, no cost extension through March 2015. The main issues to be considered moving forward are prioritizing remaining FCMC funds, ensuring timely delivery of activities that have already been approved and determining an appropriate platform to house FCMC products after the life of the program. Discussions have been initiated with the COR and USAID activity managers on the draft FY14 work plan, with a view to setting priorities and making the hard choices within the resources available to the project as extended. A revised work plan, after receiving further feedback and direction from USAID, will be submitted as soon as possible in the current quarter. Finally, the remaining incremental obligation will hopefully be confirmed early in this quarter.

5.0 SUMMARY AND CONCLUSION

This reporting period demonstrated significant accomplishments for FCMC. A number of major reports were produced and disseminated, including the review of social assessment and evaluation methods, the stakeholder engagement and REDD+ report, the Guatemala LEDS report, and a report on the Bangkok SES Training in November 2011. The MRV Manual was completed and submitted for approval, which is expected to be released before the UNFCCC COP in Warsaw. The AGRC Competencies Framework revision was also completed and is being reviewed for finalization, including the use of USAID and FCMC logos, early in the current quarter. Other documents were produced, including background brochures on activities in Colombia, Peru, and West and Central Africa, a publications briefer, and other promotional materials.

A number of successful events were organized during the past six months, including meetings in New York City and Washington, DC on recently produced FCM work, a side event at the UNFCCC meetings in Bonn, a workshop to review the AGRC Competencies Framework, and MRV workshops in Peru and Ecuador, and a series of brown bag knowledge disseminating events at FCMC.

Contributions to Tropical Forest Alliance 2020 were solidified with a new SOW and an implementation plan, including USAID/USG and other partners. Throughout this period, FCMC has received regular accolades and commendations from a variety of sources for its work—including the USAID, the US State Department, USAID missions, the World Bank and numerous others. During this period, FCMC has expanded its reach, bolstered its knowledge generation and hit its stride.

U.S. Agency for International Development

1300 Pennsylvania Avenue, NW

Washington, DC 20523

Tel: (202) 712-0000

Fax: (202) 216-3524

www.usaid.gov