

2016 Evaluation of the Climate and Land Use Alliance

Summary for External Distribution

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Introduction

CLUA Overview

The Climate and Land Use Alliance (CLUA) was launched in January 2010. The Alliance comprises joint activities supported by four Foundations – ClimateWorks, Ford, Gordon and Betty Moore (Moore), and David and Lucile Packard (Packard). In their 2009 Memorandum of Understanding (MOU) the four Foundations agreed “to coordinate a portion of their grantmaking under the [CLUA] umbrella to reduce greenhouse gas emissions associated with land use management in ways that protect the livelihoods and rights of indigenous peoples and poor rural communities and slow the loss of ecosystem services and biodiversity”.

Key elements of CLUA’s governance and management are the Alliance Board, the Executive Director and the Program Team led by the Director of Programs. The CLUA Initiatives for Global, Brazil, Indonesia and Mexico and Central America each have a separate coordinator. Each Initiative team include program officers from the foundations who are responsible for grantmaking in the relevant area, as well as consultants hired for programmatic purposes.

The partner Foundations do not pool their funds. Grants and contracts funded by ClimateWorks, which are managed directly by the CLUA team, are reviewed and approved by the Alliance Board or the Executive Director, based on recommendations from the Director of Programs (Packard is also a core contributor to ClimateWorks). CLUA grants funded by Ford, Moore and Packard are each developed, approved and disbursed by the individual foundations according to their own operating and grantmaking procedures. The Alliance Board or the CLUA Executive Director then determines whether each of these grants should be categorized as a CLUA grant. In addition to grantmaking, CLUA staff and team members also play a variety of direct, active roles on selected issues, an effort now referred to as External Engagement.

The Margaret A. Cargill Foundation (MACF) is fully aligned with CLUA and its staff participate in the Initiative teams, although it is not formally a member of the Alliance (e.g., there is no MOU or participation in CLUA governance arrangements). In 2013 MACF transferred most of its CLUA-related funding to ClimateWorks in a block amount for regranting. The Good Energies Foundation became an “aligned funder” of CLUA in 2017.

ClimateWorks hosts the CLUA secretariat in San Francisco. The partner foundations (and MACF and Good Energies) contribute the staff time of their participating program officers and Board members as well as providing financial support to the operations budget. The CLUA Initiative Coordinators are based at the Ford Foundation offices in New York, Jakarta and Rio de Janeiro.

This Evaluation

The main audience for the 2016/17 evaluation was the CLUA Board of Directors, the partner foundations and the CLUA staff and grantmaking teams.

The first independent evaluation of CLUA was carried out in 2012, specifically to provide information and perspectives for the Alliance Board in advising the partner Foundation presidents and their Boards on the likely future of the Alliance at the end of the initial five-year agreement in 2015.

This 2016/17 evaluation has responded to CLUA's request for a reasonably high-level approach that did not include in-depth assessments of individual grants or projects. In addition to CLUA's four geographic Initiatives (Global, Brazil, Indonesia, Mexico and Central America), a focus was also requested on CLUA's strategies for communications (including but not limited to media), commodities (palm oil, soy and beef), bioenergy and community land rights. Some of these strategies were elaborated in formal documents. These additional topics are all included in the CLUA Global Initiative and/or the geographic Initiatives. Finally, the evaluation team was requested to review a sample of External Engagement activities which CLUA's own principals have directly participated in.

The evaluation cutoff dates were set to include all grants and contracts awarded by CLUA between 2012 and December 2015, including aligned grants of the MACF. Particularly significant grants, contracts and strategy modifications made subsequently, during 2016, were briefly reviewed. The evaluation also considered CLUA's responses to the 2012 evaluation.

As primary information sources we interviewed the CLUA and Alliance partner teams, board members as well as a selection of grantees and independent observers ("wise men and women" in evaluation terms). We also reviewed grant documentation and other relevant reports. Field visits were completed in Brazil, Indonesia and Mesoamerica, and interviews conducted in the USA and Europe.

The scope of the evaluation was established to provide an assessment of CLUA as a whole rather than in-depth, detailed assessments of each Initiative and theme. Individual grantees and contractors were selected for interviews and grants were selected for review on a pragmatic basis that took several factors into account: (i) those identified by the CLUA Initiative teams to be of particular strategic significance, key sources of learning and/or to have proved particularly challenging, (ii) grantees and contractors who were in aggregate the largest recipients of CLUA funding, (iii) evaluation team selections from the grants database based on our own knowledge of regions and themes, (iv) whether grantees had been separately evaluated by CLUA since 2012, and (v) logistical practicality for approximately two week field visits.

The CLUA Strategies

In 2012 CLUA prepared a refreshed overall strategy for 2013-16 as well as individual strategies for the four main geographic Initiatives. Separate strategies were developed subsequently for bioenergy, for palm oil, for media and for sharing experiences from community rights and forest management in Mexico and Central America. There is no separate strategy for community rights, although this is one of the Global Initiative's four objectives and is included in the other geographic strategies. Moore's strategy for beef and soy was under development during the evaluation period and then finalized during 2016, after the evaluation cutoff point.

The CLUA Grant Portfolio

During 2012-15 CLUA awarded grants and contracts amounting to \$169m (Table 1)..

Table 1. CLUA Grants and Contracts Awarded 2012-15

Initiative	CWF		Ford		GBMF		Packard		MACF ¹		Total	
	#	\$m	#	\$m	#	\$m	#	\$m	#	\$m	#	\$m
Global	94	16	50	16	14	9	65	18	0	0	223	59
Brazil	77	18	21	7	23	22	0	0	1	1	122	48
Indonesia	96	18	48	12	0	0	11	2	3	5	158	37
Mesoamerica	20	7	22	4	0	0	0	0	2	1	44	12
US agriculture	0	0	0	0	0	0	39	13	0	0	39	13
Total	287	59	141	39	37	31	115	33	6	7	586	169

The total 2012-15 portfolio of 586 grants amounting to \$169m represented a considerable increase over the 204 grants totaling \$56m during 2010-12 that were evaluated in 2012. All of the Initiatives grew significantly compared to the pre-2012 period and the contributions of all of the Alliance members increased in financial terms.

There is no data to summarize CLUA's investments in External Engagement with governments, the private sector and other partners, which involves significant staff time supported by a small group of contractors and grantees.

¹ In 2013 MACF transferred \$9m to ClimateWorks for CLUA grant making, and CLUA grants made from these funds are classified as CWF grants in Table 1. Subsequently, MACF directly financed and managed only two CLUA grants, both in Indonesia. In some cases where this report refers to MACF grants, these are grants made by CWF that were financed by MACF.

Table 2. CLUA Grants and Contracts by Initiative and Strategy 2012-15

Strategic Theme	Global		Brazil		Indonesia		MCA		US Ag.		Total	
	#	\$m	#	\$m	#	\$m	#	\$m	#	\$m	#	\$m
Beef & Soy	0	0	23	14	0	0	0	0	0	0	23	14
Bioenergy	33	8	0	0	0	0	0	0	2	1	35	9
Commodities (other)	141	42	35	11	78	18	0	0	5	1	259	72
Community Rights	47	13	21	6	66	20	32	10	0	0	166	49
Media & Comm.	37	10	30	8	34	9	7	5	0	0	108	32
Palm Oil	18	5	0	0	25	5	0	0	0	0	43	10
Public Policy	41	12	57	16	47	8	14	6	0	0	159	42
Unallocated	0	0	0	0	0	0	0	0	32	11	32	11
Total, including allocations to multiple themes	317	90	166	54	250	58	53	21	39	13	824	237
Allocations to multiple themes	94	30	44	6	92	21	9	9	0	0	238	68
Total Grants & Contracts	223	59	122	48	158	37	44	12	39	13	586	169

The 20 organizations that received the largest aggregate amount of CLUA grants and contracts during 2012-15 accounted for about 42% of the total grant portfolio (Table 3). A selection of the grants and contracts awarded to each of these organizations were included in the Initiative-level reviews carried out within the evaluation. During 2012-15 CLUA commissioned separate evaluations of six grantees included in Table 3, all of which we have reviewed (the evaluations of GCFTF and CCMSS were carried out by members of this evaluation team).

Table 3. Organizations with the largest aggregate grant and contract amounts 2012-15

Grantee/ Contractor (see Annex x for acronyms)	Brazil	Global	Indonesia	MCA	US Ag	Total USD
IPAM*	7 249 052					7 249 052
EDF	2 419 735	77 500			3 650 000	6 147 235
ICV*	5 902 819					5 902 819
Imazon	4 994 312					4 994 312
FPP		720 000	3 722 517			4 442 517
RAN*		1 700 000	2 246 000			3 946 000
WWF		900 000	2 700 445			3 600 445
Samdhana*			3 552 641			3 552 641
TNC	2 461 385	243 350	500 000			3 204 735
WRI	386 641	2 736 133				3 122 774
CCMSS*				3 100 000		3 100 000
GCFTF*		3 038 077				3 038 077
ACOFOP				3 000 000		3 000 000
U Wisconsin	2 892 838					2 892 838
Climate Advisers		2 562 475	34 000			2 596 475
Greenpeace		2 400 000				2 400 000
InterMatrix			2 317 148			2 317 148
FFI			2 000 000			2 000 000
Burness		1 960 000				1 960 000
ICCO				1 900 000		1 900 000
Total	26 306 782	16 337 535	17 072 751	8 000 000	3 650 000	71 367 068

*CLUA commissioned independent evaluations of their grants to these organizations during 2012-15.

Summary of Evaluation Findings

Approach: How well did CLUA plan and prepare?

The strategies that formed the basis for 2013-16 grantmaking were generally coherent, well considered and convincing. CLUA's regional Initiative strategies are now among the best the evaluation team has encountered, although they continue to be wide ranging and inclusive. These strengthened strategies provided a foundation for CLUA to develop and implement an innovative and effective performance monitoring system.

The successful emergence and consolidation of the Global Initiative has contributed to increasing the coherence of CLUA's overall programming.

Initiative strategies continue to be relatively broad, especially for Brazil and Indonesia, and individual Alliance members have each tended to pursue separate objectives and concentrated their own grants within the thematic areas they consider most important.

Individual thematic strategies were mainly prepared and used for guidance by individual Alliance members, with the other foundations providing varying levels of input.

Palm oil, soy/beef and bioenergy provided useful tests of an approach where one Alliance foundation took the lead in developing a strategy on a topic that was subsequently adopted by CLUA. These varied experiences should inform subsequent efforts to develop new thematic strategies or update the current strategies. The collaborative development of a strategy for promoting community forest rights and management in other regions based on experiences from Mexico and Central America was a key output.

Deployment: How well organized and efficient is CLUA?

Board and Management

The CLUA board and management team have remained stable even though the leadership of three of the four Alliance partner foundations has changed since 2012. The Board is well organized, effective and able to focus its efforts on the priority issues. Active and well qualified independent Board members have proven a key ingredient in CLUA's work.

Chris Elliott and Dan Zarin have made very significant contributions as Executive Director and Director of Programs, respectively. Grant recipients and contractors find CLUA's administrative and management staff to be well-informed, respectful, flexible, responsive and thorough in working with grantees and contractors.

While CLUA continues to demand considerable time and energy from the participating staff of the Alliance members, there is still a strong sense of overall value being added.

There appear to be strong benefits from the considerable stability of membership of the CLUA Board and leadership team. However, there is a perception that CLUA does rely heavily on a relatively small group of contractors and grantees.

Multiple grantees in Brazil complained that the ClimateWorks proposal process was too lengthy and burdensome, although this was not the case elsewhere.

Synergies within Initiatives

At a global level, CLUA has skillfully achieved genuine synergies between the Alliance members – in other words, where outcomes exceed the sum of what the member foundations each could have achieved working alone. But we do not see such convincing synergies among the Alliance partners on a significant scale *within* the regional geographic Initiatives. This is particularly the case in Brazil and to some extent in Indonesia; it does not apply in Mexico and Central America.

Partly as a result, the overall CLUA portfolios in these countries consist of a large and growing number of fragmented initiatives that appear more or less scattered, both geographically and thematically, despite some attempts at clustering.

Initiative Coordinators

We consider CLUA has generally done a great job in recruiting extremely capable Initiative coordinators, and the current lineup is impressive. The role of Initiative Coordinator is demanding, to say the least. We advise revisiting the Coordinator roles to make sure that this important job does not become totally overwhelming for one person and/or simply impossible to fulfill satisfactorily. The challenges confronting CLUA's regional Initiative Coordinators vary considerably. As a result, the Coordinator roles each involve distinct roles and relationships, and their TORs and staff support should be tailored accordingly.

Performance Monitoring

Since 2012 CLUA has significantly upgraded the approach and documentation used to monitor the performance of its Initiative grant portfolios. Combined with a stronger approach to strategy development and documentation, the performance monitoring advances represent an outstanding example of efficient and useful management tools for a philanthropic program. Together, these improvements make a very strong contribution to addressing key recommendations of the 2012 evaluation. However, it is not yet clear how the thematic strategies fit with the regional strategies or how CLUA plans to integrate performance monitoring for the thematic strategies (this does not apply to the MCA community forestry learning strategy). CLUA's documentation and formal monitoring of External Engagements remains light.

CLUA still struggles to find an efficient and useful way to document the lessons from completed individual grants. One successful learning innovation took the form of external evaluations of six key grantees.

Engagement with Alliance Funding Partners

CLUA has wisely resisted temptations to expand the Alliance significantly, recognizing that additional funding partners can require a level of attention and have preferences, systems and reporting needs that could impose a significant cost on CLUA's streamlined and flexible organization. MACF has been CLUA's only major new funding partner outside the original four members, although other foundations have participated in CLUA's activities and strategic deliberations, with Good Energies becoming an aligned funder in 2017.

Results: What has CLUA achieved?

In aggregate, CLUA's results and impacts amount to considerable achievements on diverse fronts, even though these gains would be extremely hard to measure and most are potentially reversible. Advances resulted from support for grantees and contractors as well as CLUA's own principals' External Engagement efforts.

Brazil

Recent political chaos in Brazil contributed to frustrating key elements of CLUA's agenda as key partners struggled to make the best of a challenging situation. Following a decade of reduced deforestation rates, the last 1-2 years have seen clear signs that rates of forest loss have increased in the Amazon, with beef production highlighted as a major cause, accompanied by increasing recognition of large scale carbon emissions from land conversion in the Cerrado. While the extension of the soy moratorium was a major win, overall trends now seem firmly adverse.

CLUA made most progress on supporting multi-stakeholder processes and partnerships, and in helping improve the governance of programs and organizations. Challenges at the federal level led CLUA to increase focus at a state level, with progress made on a variety of fronts in Pará and Mato Grosso.

While the 2012 changes in the Forest Code were generally regarded as a major setback for the environmental movement, CLUA contributed to the implementation of the revised Code, with positive impacts from an impressive set of grants at both state and federal levels. Major challenges linked to the Forest Code persist, however.

Grants supporting the land regularization initiative in Para enabled the successful completion of the required mapping processes in multiple municipalities, with a direct positive influence on public policy, and CLUA's intent to step up land regularization work in Brazil appears fully justified.

CWF grantmaking seemed very focused on safe projects. As a result, some of the key leaders in Brazilian conservation no longer think of CLUA as a first stop for exploring innovative ideas.

External Engagement within Brazil heavily emphasized the Ministry of Environment and largely stayed within the narrow environmental sector. While the Alliance partners and the Initiative Coordinator met often individually with the Amazon Fund, the overall approach re. this key actor has not been strongly coordinated.

The overall CLUA grant portfolio appears somewhat scattered in Brazil.

CLUA is not yet very inclusive and systematic on its strategy development process, with the Alliance partners considering they have been more consultative and inclusive than several of the key stakeholders.

CLUA helped achieve some significant media coverage of environmental issues, although the overall approach to communications in Brazil is not fully convincing.

Brazil Beef and Soy

The beef and soy work has almost entirely been carried out by Moore, with limited input from the other Alliance partners. The ultimate goal of this work is to transform the beef and soy industry in the Brazilian Amazon and Cerrado and the Chaco in Paraguay and Argentina into a deforestation-free activity by creating enabling conditions along the supply chain. This transformation would be set into motion by supporting and enhancing voluntary initiatives such as zero-deforestation commitments by sourcing and producing companies. The goal seems innovative, ambitious and well considered, although it is too early to tell whether it is likely to be successful. Recent research suggests that beef is by far the biggest driver of deforestation in the Amazon and the percentage of beef companies that have made pledges is small, even lower than for soy. Brazil's largest beef producer (also the world's largest) was implicated in a major corruption and food safety investigation in March 2017 that threatens to undermine any industry commitment to best practices, including sustainability.

Brazilian stakeholders consider Moore an essential partner to help advance the sustainable beef agenda in the country. Moore support for a more participatory and partnership-oriented process around beef sustainability is widely appreciated. Banks, NGOs and government personnel all considered this laid a foundation for more productive cooperation among the key actors. However, the very focused approach that has been adopted does raise some questions about the prospects for smallholders as well as social and environmental issues linked to the intensification of production.

Indonesia

CLUA and its partners in Indonesia did well to keep alive the link between land use and climate change in the headlines of newspapers and web sites as well as in the talking

points of government officials and corporate leaders who were being criticized by environment and consumer groups. CLUA's grant recipients helped convince some of the world's largest pulp and paper and palm oil companies to agree to zero-deforestation commitments, even though none of those companies has followed through with clear and measurable examples of change on the ground.

Indonesian timber, palm oil and pulp and paper companies from 2012-2015 operated under a moratorium on clearing any new *in situ* forest, with research showing this helped reduce deforestation. At least some of the analysis that helped make the case for these extensions resulted from CLUA-funded activities. The same can be said for (a) the five-year moratorium on any new palm oil licenses announced by presidential order in April 2016; and (b) the Widodo Administration's 2015 decision to create a Peat Restoration Agency – and to choose CLUA's Indonesia Coordinator to head it. Also, CLUA's substantial investments in mainstreaming recognition of customary and community rights to land ownership and resource management did have an impact.

Despite wins, however, fires continued across Sumatra, Kalimantan and, perhaps for the first time, Papua. Indonesia's GHG emissions did not decrease and might have increased if 2012 is used as a baseline. Forests, including those on peat, were still being cleared for plantation agriculture and corporate commitments have not translated into measurable changes in practices. Key presidential orders were either rescinded or had not yet received the bureaucratic, corporate or financial support they needed to ensure success past 2016. It is clear that momentum has still not tipped in CLUA's favor.

CLUA's grant making was so diverse and covered so many activities, it became difficult for some in the CLUA network to define exactly what CLUA would *not* fund. Progress in Indonesia fell short of expectations in three ways. First, while promoting a low carbon development model is a primary objective of the Indonesia Initiative, there has been little tangible evidence that the Indonesian government realizes the benefits of such a model, or even what it might actually look like. Second, the palm oil strategy had not yet been adequately integrated, either on paper or in practice, into the Indonesia Initiative Strategy. And third, as effective as some of CLUA's media and communications efforts have been in Indonesia, they have not yet resulted in a well articulated and understood counter-narrative about how plantation industries are a long-term net loss to Indonesia's provincial environments and human health, and not the economic savior and job generator some perceive them to be.

CLUA is a highly appreciated donor and partner. It supports activities—corporate campaigns, land tenure reform, private sector partnerships—that other donors do not, and its investments are guided by a well-informed strategy and coordinated funding. Clearer divisions of labor and decision-making are needed among the CLUA team, however.

Indonesia Palm Oil

There is broad agreement that CLUA's aim to reduce greenhouse gas emissions through smarter land use requires a separate Palm Oil Strategy. Implementation of the strategy –

and especially the jurisdictional approach that it highlights – has not progressed significantly so far. Reasonable progress has been made in grantmaking, although a communications/national media strategy has not been completed.

There is, *potentially*, a contradiction in CLUA’s palm oil-related objectives of, on the one hand, decreasing green house gas emissions by reducing land clearing and, on the other, increasing benefits to rural communities and small-holder landowners and farmers.

Mexico and Central America

CLUA’s strategy for MCA continues to be highly relevant and all activities during the period are consistent with the MCA strategy. Despite setbacks, the Mesoamerican region may still be on track to reduce forest emissions to zero in Mexico and 75% in Central America by 2020, CLUA’s main goal.

CLUA’s support to indigenous peoples and community forestry has strengthened these grantees capacities for national advocacy, ensuring better consultation and involvement with tangible impacts on REDD+ processes and community rights, among others. Notably, the Mesoamerican Alliance for Peoples and Forests (AMPB) and its 10 members have been significantly strengthened with CLUA’s support, becoming more effective advocates for change in their respective countries, regionally and globally. CLUA’s preparation of a strategy for disseminating and promoting the uptake of lessons from MCA was a major advance.

The diverse and changing political contexts in the six countries where CLUA-supported activities are taking place has significantly influenced progress on the community rights agenda, both positively and negatively. There is no doubt that Mexico continues to be a leader in community forest management, although there are some worrisome trends.

The MCA Initiative team receives consistently positive feedback from grantees and appears highly productive and effective. But this small team seems overstretched.

Infrastructure development, agricultural expansion, illegal logging, forest fires and drug trafficking continue affecting forests and indigenous peoples in MCA. Communities and their leaders combatting these threats are facing escalating levels of violence and restrictions on their movements.

Bioenergy

The bioenergy program has played a unique and crucial role in the promotion of a sustainable approach to bioenergy in the EU. The past four years has seen particularly significant policy advances in the EU and the US, and advocacy and research activities funded by grants from Packard have influenced these developments. Packard has played an essential role in moving these policies in the right direction, but the objectives of the bioenergy strategy will not be reached within the time frame set. There are no other donors of any significant size that dedicate funds to ensuring the development of

sustainable bioenergy policies, and there is a clear rationale for continuing the bioenergy program.

CLUA's bioenergy program is the domain of the Packard Foundation. There is currently no cooperation across CLUA on bioenergy, and CLUA's bioenergy and palm oil work has yet to be harmonized.

Communications

CLUA has stepped up its communications work and has made solid progress by the metrics set out under various programmatic objectives. CLUA has made a significant contribution to media coverage of forest and land use issues globally, especially in international media and on issues related to indigenous land rights and the role of forests in mitigating climate change. In several specific cases there are clear links between CLUA-supported media campaigns and policy change results.

Initial efforts at "unbranded" issue management capacity in Brazil and Indonesia show promise, but have been challenged by a blend of grantee resistance, problematic partners, and an uneven commitment from CLUA. Where CLUA has made strong commitments to unbranded capacity (specifically using Burness Communications), it has seen the most positive outcomes.

So far there has not been a lot of coordination between CLUA's global communications efforts and those supported directly by the Initiatives in Brazil and Indonesia, where the strategic value and impact of CLUA's communications efforts seems less consistently clear than in Mexico and Central America. While CLUA has kept track of the exposure in traditional media of "its issues", measuring or assessing the impact of this would be extremely hard.

The value of continuing to prioritize traditional media is now being revisited. CLUA is now concluding that the climate change and forestry community as a whole has lost ground globally (especially in the USA, Europe and Brazil) and this target audience is much less influential than it was six years ago. However monumental a challenge, reaching out more directly to voters and consumers seems a logical option to explore, to try to shape public debate.

The complexity of the CLUA challenge - and the length of time likely needed to achieve its objectives - may require the establishment of dedicated, full-time, non-branded "issue management" capacity. Such an approach would clearly have significant resource implications and could be tested on pilot scales.

It is not clear that communications work by the four Alliance partners is being consistently defined, captured and reported. Many activities that could be considered "communications" are not categorized as such in the grants database.

Community Rights

Coherence and synergies between the Global Initiative portfolio on community rights and the initiatives supported within the geographic portfolios, particularly those in Mexico and Central America and Indonesia have improved, although progress is uneven and happening at a lower pace than desired. The portfolio includes a wide range of initiatives that support community rights. It is difficult to think of an important international venue where CLUA's partners have not been present to make the cause of community rights and their link to climate change and forests visible.

A series of publications and communications efforts supported by CLUA have started to change the narrative about the role of indigenous peoples and communities in the conservation of forests. CLUA has been making the case with donors to earmark climate funds to help secure community control over forests, in a few cases leading to significant new commitments.

CLUA's grantees are helping to bring data and modern technologies such as web-based information systems, drones and GPS to communities to help them process territorial claims, demarcate, monitor and manage their lands and forest resources.

While there has been progress in creating an enabling environment for the upholding of community rights internationally and nationally, the key challenge ahead is to ensure implementation. There has been a surge in the criminalization of IPs and communities defending their lands and other rights, as well as increased violence towards their leaders and other activists with multiple assassinations.

External Engagement

External Engagements are initiatives where CLUA participates directly through actions taken by its own principals, sometimes supported by contractors. CLUA draws on three capabilities to undertake external engagements: flexible money (on a modest scale, that can be mobilized quickly), intellectual capital (involving its principals in analysis, document writing and giving advice), and relationship capital (using its network to engage key actors and encouraging them to work together). This evaluation examined three External Engagements selected by CLUA.

Our review of CLUA's external engagements have revealed an organization playing a unique and valuable role in international forest affairs. No other organization replicates CLUA's combination of flexible funding, intellectual leadership and personal relationships and networks, and to complements these offerings with traditional grant making. CLUA has shown sound judgment in choosing when and where to deploy its limited resources, both human and financial, and has been vigilant for opportune moments to scale back or wind up external engagements.

As an example, CLUA staff invested substantial efforts and played a crucial role in the process leading up to the NYDF. CLUA also funded Climate Advisors, the key

contractor in this process, who took on a significant role in drafting the Declaration, building relationships in the private sector and convening the signatories. The Declaration is justifiably viewed as a milestone in the history of bringing the forest sector into the climate change debate, and especially as an agreement on a common vision between very different stakeholders from the private sector, civil society (notably including indigenous peoples) and governments. However, CLUA staff do seem to rate the value of the NYDF more highly than external stakeholders, most of whom present some doubt about its merit, likely impacts or how it was carried out.

CLUA's monitoring of external engagements is 'light', consisting mainly of phone calls and e-mail exchanges between the principals involved. This could expose CLUA to a loss of institutional memory caused by future staff changes.

Observations Relevant to 2017 Strategy

The Model is Working Well

The overall findings of this evaluation are that CLUA is very well led and staffed, has developed effective management and internal reporting systems and is performing at a high level. The Alliance members have reported that the benefits of membership continue to outweigh the costs. They have learned to work together, for the most part.

We have not detected any serious problems that require fixing as strategies are updated in 2017, although we have highlighted the importance of (a) improved collaboration between the Alliance partners, notably in Brazil, and (b) revisiting the roles of the Initiative Coordinators. At a strategic level we are aware that CLUA has already identified a variety of potentially new geographic and thematic program areas for consideration. However, our work suggests that the most promising areas for achieving further gains are likely to be in terms of fine tuning *how* the Alliance is operating rather than *where* and on *what*.

Taking Risks

CLUA's current approaches, however worthy, seem more likely to bring about continued incremental improvements in a generally deteriorating context rather than breakthrough gains. Given that CLUA is working well at its current scale, it seems worth asking: What would CLUA take on with an order of magnitude more resources?

Becoming More Effective as an Alliance

The vital role of Initiative coordinator should be revisited, to ensure this critically important job does not become totally overwhelming for one person and/or simply impossible to fulfill satisfactorily.

At a global level, CLUA has skillfully achieved genuine synergies between the Alliance members – in other words, where outcomes exceed the sum of what the member

foundations each could have achieved working alone. But we do not see such convincing synergies among the Alliance partners on a significant scale *within* the regional geographic Initiatives. This is particularly the case in Brazil and to some extent in Indonesia, although not in Mexico and Central America.

Potential Themes for Intensified Efforts

Given the likelihood of flat funding levels, the most promising areas for new or modified approaches would be to build on the unique strengths that CLUA already has. These are principally its people and their capacity to think collectively to deploy the combination of grant making and external engagement. Further investments by CLUA appear to have high potential in these four thematic areas:

1. Commodities

CLUA's investments in commodity supply chains have shown progress on a variety of fronts while revealing how extraordinarily hard it will be to make a difference on the ground. Now that a round of strategy development and grant making has been completed within CLUA for palm oil, beef and soy, we would encourage the Alliance members to consider more of a cross-commodity approach to learn from each other. The work on commodities is already well established, CLUA has a unique niche and the potential for further productive engagement seems clear.

2. Communications

A more comprehensive and innovative follow-up communications strategy is needed, which all of the Alliance partners should benefit from fully participating in. Each of the Initiative coordinators are ready to develop locally-adapted approaches. Monitoring the performance of communications investments will be a considerable challenge.

3. Behavioral Change

There may be opportunities to encourage new thinking on behavior from economics and psychology to focus on forests and climate, and especially commodity supply chains.

4. Private Climate Finance

It is crucial that CLUA understand the types of intervention and contexts that might play to its strengths versus those which others can do as well or better.

New Major Geographic Program Areas

Our work does not indicate that any major geographic program areas are significantly underperforming and would be obvious candidates to be scaled down or wound up. Staying engaged for the longer term in specific places where the Alliance has been

reasonably effective, has a good reputation and where further gains still seem feasible seems worth persevering with.

The most natural geographic expansion opportunity appears to be (a) in the Cerrado and in the Amazon countries bordering Brazil, where Ford and Moore already work, and/or (b) in Papua. There are good reasons for CLUA to engage in big new adventures in China or India on the demand side (possibly as part of the global commodities work) or in the forests of Central Africa, although such an effort would presumably then become a major focus of the Alliance's attention, if not a major distraction.

Rethinking NGO Partnerships

In the early phases of CLUA's work there was a strong preference to avoid using ClimateWorks grant funding for institutional capacity building for NGOs. NGO work in many countries seems to be getting harder and more dangerous. Some key international donors are pulling back and/or refusing to provide organizational development funding – i.e., overheads – that goes beyond covering direct project costs. This may be the time for CLUA to start thinking about medium- to longer-term investments in the emerging local and national organizations that surely are going to be needed to play key roles if environmental management is ever to approach sustainable pathways in target countries, or even to do more of what CLUA does.

Recommendations

Board Deliberations on Strategy

It may be useful to deliberately allocate even more Board time to wrestling with the toughest questions in terms of priority setting, i.e., where/how CLUA can most effectively make a difference and how the geographic strategies might become more tightly focused.

Can High-Risk, High Return Ventures be Identified?

CLUA's current approaches, however worthy, seem more likely to bring about continued incremental improvements in a generally deteriorating context rather than breakthrough gains. This leads to asking whether there could be opportunities to pursue higher risk approaches with the potential to deliver bigger wins, which might also fail on a larger scale. Given that CLUA is working well at its current scale, it seems worth asking: What would CLUA take on with an order of magnitude more resources? Can CLUA articulate opportunities that could be addressed with another \$20m or \$50m or more?

Reconsider the Role and Responsibilities of Each Initiative Coordinator

The role of Initiative Coordinator is demanding, to say the least, and the challenges vary considerably between the Initiatives. We advise revisiting the Coordinator roles to make

sure that this important job does not become totally overwhelming for one person and/or simply impossible to fulfill satisfactorily.

Seek Clearer Synergies within the Regional Initiatives

More effective collaboration by the Alliance members within the geographic Initiatives, especially in Brazil, appears to have significant potential to increase impacts through greater synergies, especially through more deliberate geographic and thematic coordination and clustering of grants and External Engagement efforts. We encourage CLUA to experiment with incentives and mechanisms that would build confidence in more active internal collaboration within regions than has been attempted so far.

Reconsider the Role and Responsibilities of Each Initiative Team and Each Team Member

Following on from the two previous recommendations, the 2017 strategy development process gives CLUA an important opportunity to reconsider the roles and responsibilities of each of the Initiative teams and their members, including the program officers from the Foundations. Given the diversity in the regional contexts and grantmaking, rather than adopting a general CLUA-wide approach, it may be beneficial to encourage each team to develop separate TOR that include the contributions to be played by each team member.

Commodities Work Should Continue and Possibly Become More Aggressive

There is strong justification for CLUA to continue and even reinforce work in commodity supply chain transparency, making the business case for sustainability, further development of monitoring technology and, above all, the mobilization and coordination between multiple diverse actors that CLUA excels at. We would also encourage consideration of much more aggressive support for naming and shaming campaigns where corporations (including commodity producers, traders and retailers) prove persistently intransigent.

Expansion of Promising Communications Work is Justified

CLUA's promising communications work combined with recent and alarming trends are supportive of a major expansion of these efforts, both globally and within the regional Initiatives. CLUA's impressive early efforts to achieve and monitor media coverage should be expanded throughout the Alliance, while new efforts are needed to assess the results and impacts of such coverage and whether/how this can actually shift behavior and public opinion. The regional Initiatives should develop their own communications strategies, possibly with coordination by the Global Initiative. The current theory of change for media coverage, largely based on influencing decision makers, should be revisited and consideration given to the much more ambitious and challenging possibility of shifting public opinion on issues of concern to CLUA and its partners.

Reconsider Investing in Longer-term NGO Capacity Building

In the early phases of CLUA's work there was a strong preference to avoid using ClimateWorks grant funding for institutional capacity building for NGOs. But it is difficult to imagine how the Alliance's mission can be fulfilled without the emergence of a new stronger, generation of local and national NGOs. This appears to be an area where each of the Alliance partners could contribute important knowledge and experience, and possibly a commonly-funded approach. CLUA should revisit the value of investing more in longer-term capacity building for new and emerging local and national NGOs, recognizing that identifying and supporting such future champions often requires additional program officer staff time. Ford has valuable experience and expertise in this area that can be adapted.

Apply Thematic Strategy Lessons to New and Updated Strategies

Palm oil, soy/beef and bioenergy provided useful tests of an approach where one Alliance foundation took the lead in developing a strategy on a topic that was subsequently adopted by CLUA. More recently, the process used to develop the strategy for promoting community forest rights and management in other regions based on experiences, lessons and policies from Mexico and Central America was convincingly consultative, if lengthy. Any future thematic strategies or updates of existing strategies should carefully consider how to apply or adapt these lessons.

Further work is required on linking or integrating CLUA's thematic strategies with the regional strategies, especially in terms of performance monitoring.

The most important areas for new or further thematic strategy development appear to be: (a) global² communications (as noted above), (b) global community forestry, building on CLUA's increasing multi-location commitment to this topic, (c) palm oil beyond Indonesia (and links with bioenergy within Indonesia), and possibly (d) revisiting the possibility of a global pulp/paper/timber strategy.

Consider Behavioral Change

There may be opportunities to encourage new thinking on behavior from economics and psychology to focus on forests and climate, and especially commodity supply chains.

Continue Exploring Private Climate Finance

We encourage CLUA to continue exploring this topic, as there are a number of institutions offering assistance in this area and it seems crucial that CLUA understand the types of intervention and contexts that might play to its strengths versus those which others can do as well or better.

² Global in the sense of everywhere CLUA works.

Deriving Lessons from Completed Grants

CLUA still struggles to find an efficient and useful way to document the lessons from completed individual grants. One useful next step might be to select a set of grants from multiple Initiatives that correspond to a specific theme and assess the aggregate learning from these, to identify and report best practices.

Continue Individual Grantee Evaluations and Consider Evaluating Grant Clusters

The practice of commissioning separate independent evaluations of CLUA grants to individual key grantees has proven useful and should be continued as an element of best practice adaptive management. Linking to the previous recommendation, it may be useful in future to consider evaluating small clusters of linked grants, either within a single region or pursuing similar thematic goals in different regions.

Influencing Emerging Multilateral Funds

CLUA should explore opportunities to influence emerging multilateral funds such as the Green Climate Fund and the Asian Infrastructure Investment Bank. This recommendation derives from CLUA's success with influencing the GNU partnership and the recognition that a promising path for influencing multilateral funds appears to be helping the bilateral donors to such funds work together, rather than trying to influence the fund managers directly.

Annex: Acronyms and Abbreviations

ACOFOP	Asociación de Comunidades Forestales de Peten
AMPB	Mesoamerican Alliance for Peoples and Forests
AAI	Andes-Amazon Initiative (of the GBMF)
CCMSS	Mexican Civil Council for Sustainable Forestry
EDF	Environmental Defense Fund
Ford	Ford Foundation
FPP	Forest Peoples Programme
GBMF	Gordon and Betty Moore Foundation
GNU	Germany, Norway, United Kingdom (donor cooperation)
GCFTF	Governors' Climate and Forest Task Force
ICCO	Fundación Intereclesiástica Para La Cooperación Al Desarrollo
IPAM	Amazon Environmental Research Institute (Brazilian NGO)
MACF	Margaret A. Cargill Foundation
MCA	Mexico and Central America
Moore	Gordon and Betty Moore Foundation
NGO	Nongovernmental organization
NYDF	New York Declaration on Forests
Packard	David and Lucile Packard Foundation
RAN	Rainforest Action Network
REDD	Reduced emissions from deforestation and forest degradation in developing countries
TNC	The Nature Conservancy
WEF	World Economic Forum
WRI	World Resources Institute
WWF	World Wildlife Fund