Annex 4: Independent Technical Review and Government and MDB response Forest Investment Program of Burkina Faso (FIP –Burkina Faso)

Reviewer: Juergen Blaser Submitted to the CIF Administrative Unit, Government of Burkina Faso (FIP Focal Point) and the FIP Team leader of the World Bank and African Development Bank on May 15, 2011

INTRODUCTION

1. The present paper contains a review of the first complete draft version of the FIP Investment Plan of Burkina Faso in accordance with the guidance provided by the World Bank.

2. The main natural habitats of Burkina Faso – (hot) semi-arid forest, woodland and savannah -are the most widely distributed natural habitat type within the tropics, covering more than 40% of the entire tropical landscape. While semi-arid forests typically have lower biomass densities and thus lower carbon stocks than humid forests, their extensive coverage makes them a significant terrestrial carbon store of global importance. Soil carbon is of particular importance in semi-arid regions, and the fact that many of the dry land soils have been degraded also means that they are not saturated with carbon and their potential to sequester carbon may be very high60/ _urkina Faso's FIP is the only large-scale pilot globally that emphasizes on the role of semi-arid forests and woodlands for climate change mitigation (REDD+). Taking into account these facts, the learning and up scaling dimension of Burkina Faso FIP is of particular significance for the global CC and forest community.

3. The proposed FIP is well elaborated, noticeably presented, comprehensible and – through detailed annexes and appendices (in French) – well documented. It generally acknowledges the national situation in natural resources management (NRM) and the past experiences in managing forests and rural landscapes. It constitutes a good basis for a longer-term focused work for building up a forest/landscape based strategy to mitigate GHG and for the preparation of policies and measures, which also addresses co-benefits, e/g/ the wider sustainable development goals of poverty alleviation, environmental management and biodiversity conservation in (hot) semiarid landscapes.

4. Nonetheless, the proposal can be strengthened in various ways/ The focus on forests_alone might not sufficiently take into account the real potential of REDD+ in low-forested landscapes in semi-arid habitats. The proponents might want to further explore the restoration and enhancement of carbon stock potential of wooded range lands/savannah and agroforestry parks (that cover more than 50% of the country). While in the proposal the positive effects of reforestation and anti-desertification campaigns_are recognized, a wider landscape carbon approach has not been considered. The document should be more precise in respect to the methodology and scope of the REDD+ strategy and the investments that are needed in an integrated forest/landscape carbon approach. Such an approach needs to be understood and generally accepted by all concerned stakeholders to make it viable in the longer term. Applying widely recognized participatory approaches for FIP investments and the good understanding of the potentials and limitations of a REDD+ strategy by all relevant stakeholders in Burkina Faso are important prerequisites of FIP investments.

5. The following table summarizes how the draft investment plan complies with the general criteria for SCF investment plans and programs.

60
Farage P. et al (2007). The potential for soil carbon sequestration in three tropical dryland farming systems of Africa and Latin America. Soil and Tillage Research 94(2):457-472.

PART I: GENERAL CRITERIA

Criteria	Score	Comments
Complies with the principles, objectives and criteria of the FIP as specified in the design documents and programming modalities	L	P, O & C of the FIP are taken into account and the linkages between the priority activities and the investment projects are well established.
Takes into account the country capacity to implement the plan	L	Well embedded in existing approaches; Sufficiently described for project 2 and 3, less clear for project 1
Developed on the basis of sound technical assessments	P	While generally well elaborated and documented in projects 1 and 2, project 3 is less convincing in its technical assessment; it is difficult to recognize innovation values in all three projects.
Demonstrates how it will initiate transformative impact	P	Forest and trees play an important role in the overall development strategy of Burkina Faso; the country has prepared sectoral strategies, along with a 10-year global investment plan for land, forest and watershed management. However, none of the 3 projects can yet convincingly demonstrate how it will initiate transformative impact under the FIP (give examples).
Provides for prioritization of investments, stakeholder consultation and engagement, adequate capturing and dissemination of lessons learned, and monitoring and evaluation and links to the results framework	L	All three proposals are well elaborated and sufficiently clear in setting investment priorities; remarkable is the fact that the proposals are based on existing experience. A good rationale needs to be given for the prioritization of State forests (project. 2).
Adequately addresses social and environmental issues, including gender	L	As a whole, the 3 projects focus on capacity building, particularly strengthening of local capacities
Supports new investments or funding that is additional to on-going/planned MDB investments	L	FIP is a new investment and complementary to MDB investments and bilateral development cooperation. Innovative elements could be more valorized and the landscape approach could be better articulated.
Takes into account institutional arrangements and coordination	F	Well embedded into an overall institutional concept, particularly also through joining NAPA/REDD+ and FIP under one single umbrella. The country has national and local expertise in natural resources management and can efficiently and effectively manage FIP/REDD+ investments.
Promotes poverty reduction	P	While the poverty reduction element is clearly articulated in project 1, projects 2 and 3 are less clear about these types of benefits.
Considers cost effectiveness of investments	P	Difficult to assess with the information available. For projects 1 and 3 implemented by the World Bank, the budgets seem to include a 4-year supervision provision; this is not coherent with the other budgets (being national ones or AfDB). Moreover, the consulting services are 7 times higher in the World Bank proposal than in the AfDB proposal...

Criteria	Score	Comments
Climate change mitigation potential	P	Rough estimates are given, but full potential (landscape carbon) have not been explored. No time span is given for estimating the mitigation potential.
Demonstration potential at scale	L	REDD+ strategy developed hand-in-hand with the FIP development. Well defined pilots, comprehensive approach but yet not very innovative.
Cost-effectiveness	(L)	Cannot be fully assessed with the information available. Leveraging additional resources, in particular from private sector is searched; no real references on carbon funding.
Co-benefits	P	Capacities of social systems and (tree) ecosystems to CC adaptation measures are not sufficiently addressed; they play a crucial role in semi-arid climate zones.
Implementation potential	L	The 3 proposed projects are rather classical and can be based on a broad existing experience in the country. However, the innovation element is hardly recognizable

**F: Fully complies; L: Largely complies; P: Partially complies; N: Does not comply*

6. The proposal complies with the criteria of the FIP. Nonetheless, the overall objective of the Burkina FIP (outlined in §56?) and referred to in §81 is not sufficiently well declared. Also, when referring to the definition of themes and priority areas under the FIP, the proposal says that it is based on in depth analysis and wide-reaching consultations however, it is not further

explained what in-depth analysis or wide-reaching consultations really means-this need to be better articulated.

7. Generally, the proposal should avoid having too many general statements that are not sufficiently explained or illustrated, e/g/ promotion of alternative technologies to reduce pressure on woodlands, or activities that have social, environmental and economic dimensions that will result in the reduction of anthropogenic pressure on forests, etc/

PART II: COMPLIANCE WITH THE INVESTMENT CRITERIA OF THE FIP

8. General assessment whether the investment plan complies with the specific criteria for FIP: x

Criteria	Score	Comments
Complies with the principles, objectives and criteria of the FIP as specified in the design documents and programming modalities	L	P, O & C of the FIP are taken into account and the linkages between the priority activities and the investment projects are well established.
Takes into account the country capacity to implement the plan	L	Well embedded in existing approaches; Sufficiently described for project 2 and 3, less clear for project 1
Developed on the basis of sound technical assessments	P	While generally well elaborated and documented in projects 1 and 2, project 3 is less convincing in its technical assessment; it is difficult to recognize innovation values in all three projects.
Demonstrates how it will initiate transformative impact	P	Forest and trees play an important role in the overall development strategy of Burkina Faso; the country has prepared sectoral strategies, along with a 10-year global investment plan for land, forest and watershed management. However, none of the 3 projects can yet convincingly demonstrate how it will initiate transformative impact under the FIP (give examples).
Provides for prioritization of investments, stakeholder consultation and engagement, adequate capturing and dissemination of lessons learned, and monitoring and evaluation and links to the results framework	L	All three proposals are well elaborated and sufficiently clear in setting investment priorities; remarkable is the fact that the proposals are based on existing experience. A good rationale needs to be given for the prioritization of State forests (project. 2).
Adequately addresses social and environmental issues, including gender	L	As a whole, the 3 projects focus on capacity building, particularly strengthening of local capacities

L: Fully complies; L: Largely complies; P: Partially complies; N: Does not comply

The following additional comments are offered under each of the six specific criteria:
Climate change mitigation potential: The investment plan should provide an estimate of the direct GHG savings.

9. The proposal focuses on forests without giving a clear indication what is meant with under this term. In Burkina Faso, as in most of the countries in the semi-arid climate belt within the tropics, it is difficult to make a functional separation between forests and other tree-bearing landscapes. The role of such wider functional (forest) landscapes in climate change mitigation (and adaptation) is potentially important and might need to be better assessed (e.g. through adequate investments). A rough assessment cold be done, by using, e.g. the following table:

10. In the past forest management associations *(Groupements de Gestion Forestière)* have been supported in the management of common natural resources. Community fire brigades have been supported and are a key piece of the fight against wild fires in the country today. As a direct result of such activities, it was possible to establish sustainable supplies of fuelwood to a considerable number of villages; revenues to local communities have been created and resources sustainability has been assured by exploitation rotation cycles of 10 to 20 years. Such models have the potential to be up streamed in the country and beyond and bring considerable new mitigation benefits. They could be a solid basis for REDD+ investments in Burkina Faso.

Criteria	Score	Comments
Complies with the principles, objectives and criteria of the FIP as specified in the design documents and programming modalities	L	P, O & C of the FIP are taken into account and the linkages between the priority activities and the investment projects are well established.
Takes into account the country capacity to implement the plan	L	Well embedded in existing approaches; Sufficiently described for project 2 and 3, less clear for project 1
Developed on the basis of sound technical assessments	P	While generally well elaborated and documented in projects 1 and 2, project 3 is less convincing in its technical assessment; it is difficult to recognize innovation values in all three projects.
Demonstrates how it will initiate transformative impact	P	Forest and trees play an important role in the overall development strategy of Burkina Faso; the country has prepared sectoral strategies, along with a 10-year global

Demonstration potential at scale: The investment plan should support replicable pilot programs in order to demonstrate how to scale up public, private and other resources and activities so as to achieve transformational change. FIP investments should address REDD+ priorities as presented in national REDD+ strategies or action plans (or equivalents).

11. FIP should support the scaling up of various successful past pilot projects in the field of forest conservation, agro-forestry, as well as re-establishment and restoring lost carbon stocks. In addition, the current state of degradation of some of the country's natural resources (including major water sources) calls for immediate larger-scale interventions. The FIP investments should be planned to work in synergy with ongoing efforts to adapt to climate change and to promote forest sector development that aim at improving rural livelihoods with the potential to make a significant contribution to the country's voluntary commitments to reduce GHG's in the atmosphere.

12. The planned FIP investment will occupy an important niche in Burkina Faso, as there are, besides some capacity building efforts, no considerable land-use based mitigation activities in the country. Coordination with on-going forest and land-use programs supported by national sources and other development partners has a long tradition in Burkina Faso and has been considered in the proposal.

Cost-effectiveness: The investment plan should leverage additional financial resources, including from the private sector where feasible. It should catalyze self-sustaining economically viable models for REDD+ at scale without the need for continuing subsidies and promotes coordination among relevant institutions at the country-level with respect to implementing and financing proposed investments.

13. The proposed investment projects clearly focus on leveraging additional financial resources for preparing a viable environment for long-term sustainable investments in what is called improved and sustainable forest and woodland management/ It focuses on the participation of the private sector, without however specifying the type of private sector that is targeted. There is a need to be more precise on REDD+ investment options and the way how the readiness

process will be conducted in order to attract long-term GHG-emission reduction investments (as they might be defined in the UNFCCC processes).

Co-benefits: The investment plan should consider the potential to contribute to the livelihoods and human development of forest dependent populations, including indigenous peoples and local communities, and to sustain biodiversity and ecosystem services and enhance the adaptive capacity of forest ecosystems and forest dependent communities to the impacts of climate change.

14. The investment proposals well describe the poverty alleviation and biodiversity benefits that are envisaged to be targeted besides the carbon benefits. A more functional link could be established between the envisaged FIP investment and the co-benefits that are linked to the climate change adaptation agenda, including increasing resilience and reducing vulnerability of social systems and ecosystems to the negative effects of climate variability and climate change. E.g. NAPA61 investments in NRM and FIP investment indeed have the potential to be highly complementary. There is a unique opportunity here to develop new approaches taking advantage of the fact that in Burkina Faso the institutional arrangements intent to combine all land-use relevant CC activities (NAPA, REDD+ and FIP) under one single umbrella.

Implementation potential: The investment plan should have a high potential for successful implementation.

15. The three investment proposals have good chances for successful implementation. The following comments and observations can be offered:

16. Project 1: Decentralised Sustainable Forest Management (PGDDF)

(1) The short list of partners active in the proposed actions are well recognized knowledge bearers in the management of forests/woodlands in Burkina Faso; local NGOs are particularly important, as they have shown in the past their capacities to develop their actions on corrective measures of past critical if not negative experiences; as such, their proposals fit well into the local context and the chances of successful implementation might be higher than in the past.

(2) The analysis of the obstacles that have limited the development of past activities seems to be correct; it is however difficult to be sure that the proposed project can tackle all listed challenges. Nevertheless, project 1 aims at achieving an overall coherence through enabling linkages between national and local stakeholders in the framework of global concerns.

(3) The 3 components for implementation cover national (MRV) and municipal (investment and capacity) levels; the difficulty remains in the fact that natural resources such as forest and woodlands cover is usually more present in border zones between municipalities and between villages; the implementation of project 1 has also to consider these multi-communal levels, as in these zones there are often conflicts in respect to the conservation and management of the forests/woodland resources and the ecosystem services embedded in them.

(4) Women are mentioned, but more in a general way and not in their role of being involved in decisions on access to, and valuation of, resources such as agroforesty systems.

(5) The valuation and capitalisation of good practices should enter in a full-looped capitalisation, reaching the development of innovations based on past experience.

(6) The project will only have real transformational impacts if it takes the aspects of addressing supra-municipal level, equity and innovation sufficiently into account.

[61] NAPA (as defined by the UNFCCC): National adaptation programmes of action (NAPAs). They provide a process for Least Developed Countries to identify priority activities that respond to their urgent and immediate needs to adapt to climate change – those for which further delay would increase vulnerability and/or costs at a later stage.

(7) The actors of the capacity development activities are not specified- there is a risk of an important bottleneck here, in particular when requested service providers do not exist/are not available to secure such capacity building at community and municipal levels.

(8) The rationale, although generic, is a good summary of the vision of this project; it remains cautious on its feasibility to support the preparation of REDD+ policies, and at the same time putting the bases for its usefulness beyond the chosen municipalities and even for neighboring countries.

(9) The safeguards to prevent potential harm to people are particularly important in the context of such projects, in order not to dispossess local stakeholders of their rights. It is supposed that the full safeguard provisions for WB investments are applied.

17. Project 2: Participatory Management of State Forests (PGPD)

(1) The implementation set-up clearly values the existing institutions, without creation of any new structures; governance issues and processes are generally sufficiently addressed.

(2) The context analysis stresses the existing enabling aspects (institutional, normative, expertise0) and also identifies some themes where some improvements have to be reached. However, the analysis might be a bit too narrow and only based on the AfDB experience. A wider analytical view needs to be integrated in an early stage of project implementation. In general terms, the proposed major activities give a good structured view of the project.

(3) The various local stakeholders are listed, with some mentions of the respective functions and/or benefits; the respective benefits could have been more detailed, however.

(4) There seems to be a considerable gap in implementation capacities, which is not sufficiently reflected in the planned activities.

(5) The proposed combination of projects and co-financing between the different funding partners reflect well the existence of an overall well functioning institutional environment.

(6) The rationale is very generic and could be written for any development project; as it stands here, it is not enough precise in its scope of REDD+ and to satisfy FIP needs.

(7) It is clear that this particular project of the Burkina Faso FIP has a potential for replication in other countries in the semi-arid climate belt. However, it would be interesting for Burkina Faso to analyse if the reciprocity is also true (as there are experiences in other countries that could be exploited).

(8) The safeguards recognise the (traditional) use of the forest ecosystems for livelihoods of the neighbour population. Overall, it would be interesting to know how the WB safeguard provisions would be applied to this project which is implemented by the AfDB.

18. Project 3: Forest Product utilization and value chains (FIP-PVPF-DF)

(1) The rationale for scaling-up own WB projects and other actors experience gives a nice justification and a clear view on the orientation of the project.

(2) The project does recognise the diversity of products out of the forest/woodlands (timber and NTFP) and their importance for the local livelihoods; the project positions itself in the context of growing pressures on the availability of these products.

(3) The benefits rightly put the rural population in front; however, its orientation on commercial opportunities is probably not sufficient in itself to aim at fighting poverty, as the supply chain around the exploitation of forest products certainly does not include the most vulnerable part of the population.

(4) The mentioned transformational impacts are moreover clearly focusing on the private and scientific sectors/ !s much here as in point (7) rationale, the emphasis is put on scientific research, with the risk of missing out traditional knowledge as well as local needs, and not allowing adoption of new scientific knowledge/

(5) The enabling context in terms of policy and regulatory framework as well as institutional arrangements is certainly an asset for private sector development; this however has to be harmonized with some activities of project 2 (PGPD), among other the reform in reorganizing the tasks devolved to *deconcentrated* forest service/

(6) Identified potential partners are diverse, which constitutes an opportunity for enrichment and innovation. The risk of divergences in approaches and visions has to be taken care of, through mechanisms of coordination and harmonisation. This would be a must also for the creation and transfer of investment models.

(7) In the rationale, the improvement of sustainable valuation of forest products could be stressed; interestingly, in spite of the fact that for FIP the forest carbon dimension is the overall driver for investment, there is no mention in the proposal of valuation for forest

ecosystem services, in particular carbon0

(8) Also, most importantly, one of the limiting factors for the return of forest/woodland-based investment is the (in) security of land tenure, an aspect which seems having been forgotten in the proposal.

(9) Gender is mentioned in the safeguards, but it is rather dealt with in a superficial way.

19. (Project 4). Information sharing and lessons-learning (ISL) This component would certainly give an overall cohesion to the knowledge exchange between the 3 projects and their partners; it will be a good reference for the capacity building of the 3 projects. Its very first task might consist in revising the very weak indicators defined in the table

Investment strategy results framework (section 9, page 39 ff)/

Natural forests: The investment plan should safeguard natural forests and should not support the conversion, deforestation or degradation of such forests, inter alia, through industrial logging, conversion of natural forests to tree plantations or other large-scale agricultural conversion.

20. Management of natural forests (and woodlands) in tropical and subtropical semi-arid regions is considerably different from natural forests in the semi-humid and humid tropics. This is due *inter alia* to site and stand conditions but also anthropogenic influences over long periods of time. E.g. the dominant site factors are water and biotic factors (e.g. existence of pollinators), and increasingly climate variability factors, such as heat, drought, wildfire, inundations. This site factors are keys not only to the natural habitat, but also to the socio-economic and cultural environment. Dry forests are relatively species-impoverished and structurally simple and more resilient to climate variability and climate change effects. They can also be more easily guided as an ecosystem than a complex humid forest (and thus also be more influenced in respect to carbon management). Also, vulnerability aspects (of ecosystems and social systems) can be more easily addressed in this type of habitat than in the humid forest area. Low immediate mitigation potential can be outwaited by longer-term secured investments in sustainable forest/woodland

/landscape management/ From the reviewer's perspective, the _urkina Faso FIP pilot should give more attention to research-development activities that address simultaneously ecosystem/tree species resilience and carbon sequestration potentials and the close link of ecosystem management with social systems.

PART III. RECOMMENDATIONS

21. *Better demonstrate the particularity of the FIP in Burkina Faso as a pilot for (hot) semi-arid regions*. In spite of the low forest carbon stocks and the critical dominant site factor (water, climate hazards), there is considerable potential at landscape level (including forests, woodlands, trees in landscape and soil carbon) for a economically and financially viable REDD+ scheme in the

country; this potential should be more carefully explored and described. Also, the overall potential for restoring degraded habitats (forests and savannah woodlands) is not taken sufficiently into account.

22. *Explain why the proposed investment projects (PGDFF, PGPD and FIP/PVPF/DF) constitute the most comprehensive investment options to reach the FIP objectives for the particular case of Burkina Faso.* The understanding from the current document is that there is a concentration of the proposed investments on forests, including community forests and State forests/ The rationale for concentration FIP investments on these particular land-use categories is not fully understood.

1. *Consider establishing a better link between FIP investments/REDD+ strategies with the overall landscape-based adaptation agenda*. It is a fact that in semi-arid climatic areas, vulnerability and resilience of social systems and ecosystems are of specific importance. E.g., if a forest becomes dry, it loses species; it is subject to increased frequency of fire and easily moves to a savannah or grassland state. Such a new state is stable and will require considerable change to move to another state; the biodiversity has been lost and so have most of the goods and services from the ecosystem, including also carbon storage. The Burkina FIP may want to look closer in this type of dynamics and in the potential of restoring degraded landscapes/lost carbon stocks through restoration, afforestation and reforestation and adequate soil management. Linking vulnerability risks with resilience potentials and mitigation options is of particular importance and could be considered in the investment options.

2. *Echo more on the wider role of sustainable forest and woodland management in addressing simultaneously REDD+ objectives and climate change adaptation objectives*. While the institutional arrangements include the coordination unit for the NAPA, the investment proposals remain silent on the potential wider role of forest/tree-based investments for both climate change strategies (mitigation and adaptation). A special reason for proposing a FIP pilot in Burkina Faso was the fact that the pilot can offer new experiences in the development of a forest investment that can bridge between the role of open forests/woodlands and trees in rural landscape in reducing vulnerability, adaptation to climate change, while at the same time mitigating GHG emissions and enhancing carbon stocks. Developing investment schemes that address simultaneously nationally and locally appropriated mitigation and adaptation actions are the particularity of the Burkina Faso pilot. Also note that besides some initial REDD+ actions in miomba[62] woodlands, the FIP of Burkina Faso is the only investment pilot in tropical dry forests worldwide.

25. *Clarify the different land categories used for forest investments and indicate, at least approximately the area and carbon stock concerned, and the mitigation potential over a defined time span* (e.g. until 2030). A certain inconsistency is observed throughout the document (English version) when using terminologies, such as forests, woodland, agroforestry, agroforests, all of them used to define the target areas in theme/topic 1/ table 2 (useful0) presents land-use categories that are not brought into relation with the terms used later in the document. E.g. are forests only gallery forests as presented in table 2 or do they include savannah woodlands, woody savannah, or agro-forestry areas? Or are forests the legal forest area, or the forested

[62] Miomba woodland comprises tropical and subtropical grasslands, savannah and shrub lands dominated by the tree species *Brachystegia longifolia* (miomba). Miomba woodlands occur in the southern and eastern border of the humid forest area of Africa and comprise a range of climates from semi-humid to semi-arid

woodlands according to Burkina Faso CDM definition of forests? What are woodlands, e.g. steppes with trees?

1. *Make clear in the document what is meant when referring to the "forest" sector*. Better explain what is meant in the FIP under ~~F~~orest/ Eventually consider how a wider landscape carbon approach (forests, woodlands, savannahs and agricultural landscapes) could be integrated in the FIP approach.

2. *Consider revising the readiness process for REDD+ in Burkina Faso.* The proponents might want to take into account the stepwise approach towards REDD+ readiness (Analysis of DD and carbon sink enhancement ➓ Framework REDD+ strategy development and implementation ➓ Reference level ➓ MRV of carbon and co-benefits) developed by the FCPF as an example to develop a REDD+ strategy in conjunction with the development of the FIP (complement to §85, project 1, paragraph 1).

3. *Review (and eventually get inspired) of Readiness Preparation Proposals from countries with similar habitats as Burkina Faso.* Kenya is one of the countries that is representative for those African countries that are situated in the woody savannah belt. In Kenya, as in Burkina Faso, the dry forests and woodlands are often large emitters of carbon dioxide through degradation. Tanzania and Mozambique R-PP also deal with miomba woodlands and might also be an interesting reference for the further developing the readiness process in Burkina Faso.