

# CLIMATE INVESTMENT FUNDS

FIP/SC.7/CRP.3  
October 31, 2011

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Meeting of the FIP Sub-Committee  
Washington, D.C.  
October 31, 2011

PRESENTATION BY GOVERNMENT OF MEXICO  
ON THE MEXICO FORESTS AND CLIMATE CHANGE PROJECT  
UNDER THE FIP INVESTMENT PLAN

# Comisión Nacional Forestal



## MEXICO FOREST & CLIMATE CHANGE PROJECT: IBRD AND FIP



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# Background

- Mexico-World Bank developing a new business model
  - Strategic use of multiple instruments: DPL, FCPF, GEF, Forest Bond – Treasury, PROFOR, SIL and the proposed FIP.
  - Builds upon past forest investments that were mainstreamed into forest policy (PES, Community forestry, Community conservation of biodiversity)
- A Specific Investment Loan on *Forests and Climate change* is being negotiated with the World Bank (The total financing package is US\$300m IBRD+ US\$287m budget + US\$42m FIP = US\$629m)
- The two FIP projects to be administered by the IBRD are proposed to be combined with this larger SIL operation.



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# Why an integrated SIL/FIP operation?

The SIL operation is well advanced and would:

1. Build-in a multiplier (SIL) into the FIP/replication @ scale nationwide
2. FIP would be connected to broader package (DPL, FCPF, ...)
  - DPL provides policy support for the REDD agenda
  - FCPF (readiness fund & carbon fund)
3. Enable rapid deployment of FIP resources
  - Ensure that the FIP does not suffer delays from changes in government in Mexico (if not now, maybe 2013)



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# Coordination of readiness efforts



Phase  
III

**FCPF**  
Carbon Fund

**Forest Bond**  
Feasibility study

**SIL “Forests & Climate change”**

Institutional strengthening, consolidation of  
programs &...  
(IBRD)

Phase  
II

**FIP- Transformative**  
investments and innovative  
institutional arrangements  
(IBRD & IDB)

MRV & RLs- Norway

Governance (AFD-AECID-Life)

M-REDD (USAID)

Phase  
I

**FCPF**  
R-PP

**DPL – Social Resilience & CC**

Policy commitment to cross-sectoral and multi-level coordination

Participatory Platforms (IBRD & AFD)

**Component 1. Policy Design and Institutional Strengthening. (US\$41m)**

*Subcomponent 1.1. Monitoring and Evaluation. IBRD US\$5m, FIP US\$2m*

*Subcomponent 1.2. Policy Design, Participatory Processes, and Knowledge Sharing. IBRD US\$12.5m, FIP US\$5m*

*Subcomponent 1.3. Strengthening of CONAFOR and Cross-Sector Coordination. IBRD US\$12.5m, FIP US\$1.66m*

*Subcomponent 1.4. Improvement of Private Advisory Services to Communities. FIP US\$3m*

**Component 2. Consolidation of Priority Community-Based Programs at National Level. (US\$270m)**

Demand-driven  
Grants to communities  
5 programs on  
community forestry &  
PES

IBRD US\$ 270m

In-built mechanism for  
annual review of  
operating rules

**Component 3. Innovation for REDD+ in Early Action Areas. (US\$30m)**

*Subcomponent 3.1. Policy Innovation and Cross-Sector Harmonization*

*Subcomponent 3.2. Building Capacities for Landscape-Based Management in REDD+ Early Action Areas. FIP US\$7m*

*Subcomponent 3.3. Community Investments in REDD+ Early Action areas. FIP US\$ 23.34*



Multiplier effect

# Lines of innovation on component 3

- Alignment of the forestry, agriculture and livestock programs
- Alignment of CONAFOR programs for REDD+
- Promotion of integrated landscape management



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# SIL/FIP integration



Project	Implementing	Budget (M USD)	Policy coordination	Territorial Institutions	Participation	Technical & business support	Community Investments in SFM	Investments in Enhancement of Env. Services	Investments outside the forest sector	Monitoring & Evaluation to the end???
<b>Project 1.</b> Capacity building for sustainable forest landscapes management	IBRD	15.66 (g: 100%)	Y	Y	Y	Y				Y
<b>Project 2.</b> Mitigation resilience and sustainable profitability in forest landscapes	IBRD	26.34 (g: 38%)				Y	Y	Y	Y	



# Territorial Focus



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# Results frameworks



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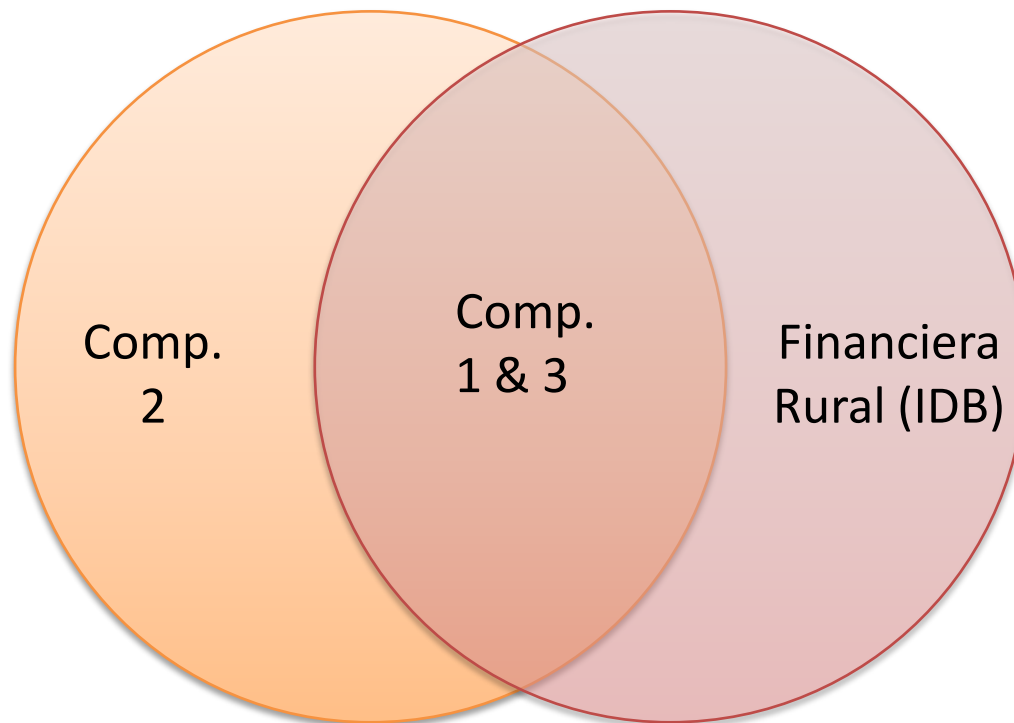
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## PDO Results Framework



## FIP Results Framework



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# Indicators



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**PDO Level Results Indicators.** The PDO level Result Indicators would be as follows:

- Increase in forest area under improved management and **reduced carbon emissions practices** (number of hectares, or percentage increase)
- Increase in number of communities building social organization and generating income from sustainable production of forest goods and services (number of communities, or percentage increase) including REDD
- **Reduction of net deforestation and forest degradation rate in selected landscapes within REDD+ Early Action areas (number of hectares, or equivalent CO2 emissions).**



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# Indicators

Component Indicator 1: Improved monitoring and evaluation system for CONAFOR-supported programs (includes MRV) is operational

Component Indicator 2: Number of CONAFOR field offices rehabilitated, equipped, staffed and trained

Component Indicator 3: Percentage of community forest management permits approved within the legal span

Component Indicator 4: An integrated database of CONAFOR/SAGARPA/DGF is operational

Component Indicator 5: Number of private community advisers trained and certified



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Component Indicator 6: Types and number of knowledge assets on REDD+ created and shared

Component Indicator 7: Increase in Social Organization Index in communities that participate in demand-driven programs on community forestry and payments for environmental services

Component Indicator 8: Increase in Economic Development Index in communities that participate in demand-driven programs on community forestry and payments for environmental services

Component Indicator 9: Reduction of loss of forest cover (net deforestation rate) nationwide, compared to initial value

Component Indicator 10: Percentage of participating communities receiving support from innovative Landscape Management Agents (ATLs/ADLs) in REDD+ Early Action areas

Component Indicator 11: Number of operational agreements between CONAFOR, SAGARPA, and States in support of REDD+

Component Indicator 12: Number of new community-based, economically viable, REDD+ focused initiatives with demonstrated potential for replication at scale

Component Indicator 13: Increase in the proportion of CONAFOR and SAGARPA investments mobilized through the new REDD+ integrated landscape mechanisms in Early Action areas



# Consistency with FIP criteria

- (a) climate change mitigation
- (b) demonstration potential at scale
- (c) cost-effectiveness
- (d) implementation potential
- (e) integrating sustainable development (co-benefits)
- (f) application of environmental and social safeguards.



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# Final remarks

- Unique opportunity of an integrated package
- Supporting National REDD process
- Combines policy support, investments and learning on the ground
- Powerful multiplying (scaling-up) mechanism
- Community driven, emphasis on transversality
- Timing is critical:
  - Legal negotiations (nov 28<sup>th</sup>)
  - End of technical work (nov 11<sup>th</sup>)



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