

CLIMATE INVESTMENT FUNDS

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Washington D.C.
October 30, 2013

UPDATES FROM FIP PILOT COUNTRIES
SEPTEMBER 2013



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BRAZIL

<i>What activities have been undertaken to review progress and coordinate implementation of the FIP investment plan at the country level since the last Pilot Country Meeting? With what regularity do such reviews take place?</i>	
Inter-agency	<p>Periodic meetings have been held between the agencies involved in the Investment Plan, with the participation of the coordinators of each project (from the Ministry of Environment, Ministry of Science and Technology, Ministry of Agriculture and the Brazilian Forest Service), the national focal point (Ministry of Finance) and the Investment Plan Coordinator (Executive Secretariat of the Ministry of Environment).</p> <p>In order to consolidate and provide adequate support for the coordination of the IP, the Interministerial Committee will be formally established to monitor the implementation of projects and ensure synergy between activities carried out by each agency. The Committee will be backed by an Investment Plan Management Unit, responsible for the operation of the IP monitoring system and the implementation of the evaluation process. An Interministerial Ordinance is being finalized to establish this institutional framework.</p> <p>In addition to that, the following activities have been undertaken on the project level:</p> <p>The FIP-ABC Project received recently its second WB mission, for an evaluation and final adjustments to the Project proposal. The evaluation included field visits to some farms in the Cerrado region, participation in some activities of the implementation agencies, Senar, to get acquainted with its strategies and working capacities. The Mission enabled better understanding about the execution capacity of Brazilian institutions, in particular the Ministry of Agriculture (Mapa) and Banco do Brasil.</p> <p>The Forest Information Project (FIP – IFN/SNIF and Forest Inventory) proposal has been finalised by the Brazilian Forest Service (BFS) and IDB teams. During the preparation phase, the IDB has conducted a fiduciary analysis of the BFS, indicating its qualification, expertise, human and material resources to execute the project.</p> <p>The Cerrado - CAR-FIP Project is currently being reviewed by the Investment Plan Coordinator (Executive Secretariat of the</p>

	<p>Ministry of Environment). Its Framework Document for Environmental and Social Management Projects - GMES has also been completed and is being evaluated by the World Bank. And it should be available soon for public consultation through the internet.</p> <p>The “Project Implementation of an early-warning system for preventing forest fires and a system for monitoring the vegetation cover” is in preparation. Consultants have been hired to support the development of the proposal, and the agencies involved are in constant coordination to design and approve the institutional arrangements that will provide a basis for the systems.</p>
<p>Multi-stakeholder</p>	<p>Each Project undertook several activities to engage stakeholders. As projects are still in the preparation phase, the engagement has taken place mostly through public consultations and workshops, which provided relevant inputs for improving the proposals and reaching out to potential implementation partners. A brief description of the consultation process follows.</p> <p>Sustainable production in areas previously converted to agricultural use – FIP-ABC: The consultations with the major stakeholders included: a workshop with representatives of the Sub-national Management Groups (Grupos Gestores Estaduais) from the ABC Plan in the 11 involved States; a workshop with the representatives from Senar’s regional units; an internal meeting at Embrapa to negotiate the participation of the research units and of the experts that will be directly involved in the project.</p> <p>Forest information (FIP – IFN/SNIF and Forest Inventory): During the Project Proposal preparation phase, two consultation workshops were carried out: i) a workshop with representatives of institutions, based in the Cerrado biome, related to the project goals and from the states government institutions, NGOs and private sector; ii) a workshop with representatives of the federal institutions and decision makers based in Brasilia. It is also relevant to point out that 20 previous consultation events, related to the national IFN and SNIF processes have also served as reference for the project proposal.</p> <p>Rural Environmental Cadastre – FIP-CAR: During the project’s preparation, four information workshops and public consultations were held with the project’s stakeholders. That included: State governments representatives; state</p>

	<p>environmental agencies; agriculture and rural technical assistance institutions; land reform institutes; environmental police; city/town representatives; agribusiness´ private sector; ABC Plan´s states managers; Family farming and traditional populations representative bodies; non-governmental organizations that work with rural Environmental Registry and other projects for sustainable rural development; research institutions and; representatives of other Ministries and federal government institutions. These workshops had the following objectives: (a) Present and clarify the CAR laws and regulation, according to the new Forest Act, (b) present and discuss the CAR-FIP project, the expected results, the stages of development and implementation.</p>
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Please provide an update on activities carried out, challenges encountered, and progress made to set up the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities in your country.

- Several meetings between World Bank, country focal point (Ministry of Finance), Ministry of Environment (MMA) and Indigenous Affairs Agency (FUNAI) have been held and the institutions have been very supportive of project design/preparation.
- A preliminary concept note has been prepared to be discussed and further elaborated during consultations with Indigenous Peoples and Traditional Communities.
- Two consultants have been hired to organize and carry out the consultations and to draft the Project´s document.
- Three planned regional consultations with Indigenous Peoples and Local Communities (at the states of Maranhão, Mato Grosso, and Minas Gerais) have been carried out. Nearly 150 representatives from IPLCs have been convened and provided broad support to DGM main guidelines as well as suggestions and recommendations that have been incorporated to the proposed Project´s design. After final revision of the Project Concept Note, it will be discussed on a Final Workshop with representatives chosen from the regional meetings and other nationwide IPLCs representatives and NGOs.
- Criteria for selecting the implementing agency have also been submitted to these public consultations and agreed upon. The selection of the implementing agency will be carried out on a competitive basis.
- Preparation funds have been requested and received from SCF.
- The Concept Stage package (PCN, ISDS, ORAF) has been drafted and the PCN Meeting will be held early October 2013.

The agreed overall objective of Brazil DGM is to enhance capacity building and support specific initiatives of Indigenous Peoples and Local Communities in Brazil in order to strengthen their participation in FIP and other REDD+ processes at the local, national and global levels.

The main agreed goals are: (a) to maximize the participation of Indigenous Peoples and Local Communities in promoting sustainable land use and improving natural resources management (with priority in the Cerrado Biome), helping to reduce pressure on the remaining forests,

decrease greenhouse gas emissions, increase CO2 sequestration and improve livelihoods; (b) to expand and strengthen the capacity of cooperation networks between representative organizations of IPLCs with regards to policies of forest conservation and natural resources sustainable management; and, (c) to benefit IPLCs by supporting small-scale community initiatives that contribute to reducing pressure on natural resources, fostering traditional and low impact livelihood strategies, ensuring food security and income generation, and promoting forest conservation and natural resource sustainable management.

To foster synergies with the Brazil FIP Investment Plan and address the challenges posed by the geographical dispersion of IPLCs, the Brazil DGM will prioritize its actions in the Cerrado Biome. Nevertheless, capacity building and training activities in strategic issues will have the whole country as its geographical area.

The innovative character of DGM as an operation imposes some challenges in its preparation procedures. In Brazil, it decided to focus initial activities in a broad consultation with IPLCs at the focus geographical area, the Cerrado biome, to set the project as participatory as possible. Coordination with Federal agencies (FUNAI and MMA) has been key for successfully articulate and convene IPLCs.

What are the opportunities and challenges you have encountered, or expect to encounter, with the implementation of the FIP results framework in the context of your country?

The indicators presented in Brazil's Investment Plan will be used for monitoring implementation of its activities. One of the main objectives of the Investment Plan is to lead an effort to consolidate information systems that can better assess deforestation and forest coverage, as well as GHG emissions and carbon stocks in the Cerrado biome.

A key challenge has to do with the timetable for the provision of consistent results on GHG emission reductions/enhancement of carbon stocks. Three of our projects - Forest information, Rural Environmental Cadastre and Implementing a Forest Fire Prevention System and a Forest Coverage Monitoring System, are mainly focused on data collection and monitoring activities whose expected outcomes, regarding GHG, can only be reliably measured if you have a longer timeframe. The assessment of impacts on GHG emissions would also require full implementation of such systems, rendering annual target setting and reporting virtually impracticable. That's also the case for the measurements of forest carbon stocks when you take processes such as vegetation regeneration and soil carbon build up into consideration, as the intrinsic dynamics of forest development call for a longer assessment time span.

Please provide an update on the status of your country's FIP projects involving the private sector (note: this includes public sector projects with a private sector focus).

Three Projects that present a focus on the private sector are described bellow (FIP-CAR, Forest Information project and FIP-ABC).

1) Environmental regularization of rural lands (based upon the CAR)

Project description (brief):

The project will contribute to strengthen partnerships between public and private actors. The

implementation process will bring public institutions, federal, state and city level, and the rural sector's representative organizations together in order to achieve the registration goals the resulting Lessons Learned and Best Practices will feedback to the implementation of CAR in other regions.

The project, its products ("outputs") and activities were organized into two main components. The first component involves the structuring and strengthening state capacity to implement the Rural Environmental Cadastre (CAR), the second involves mobilizing actions and supporting CAR registration in priority municipalities, engaging landholders and special beneficiaries (including family farmers and traditional communities) to comply with environmental requirements in order to enable them to access financial resources and other types of support for adopting the sustainable technologies enshrined in the ABC Plan.

Findings of preparatory studies / outcomes of implementation activities:

The Framework for Environmental and Social Management (GMES) Project has been developed, including a diagnosis with the Environmental and Socioeconomic Characterization of the region covered by the project and the Social-environmental Impact Evaluation.

The GMES evaluated the positive and negative impacts of the environmental regulation process, considering the current Federal Forest Law, the State Laws, IBRD safeguards, the expected results of the project, analysis of the results of public consultations and data provided by the states used for planning Project actions. This document must be issued to provide guidance for all project execution phases, providing guidance especially for managers at the state and local levels.

Transfer/application of knowledge/lessons/experience beyond FIP activities:

Through the Project management component, to be implemented by the MMA, in close coordination with the states management teams, will be held shares of monitoring, control and evaluation, including: supporting training programs in the states; conducting local meetings, regional and state, to exchange experiences, assess and disseminate learned lessons.

2) "Forest Information to Support Public and Private Sectors in Management Initiatives"

Project description (brief):

The project aims at producing and disseminating accurate and updated information and data on forest resources and their use. The project has three components: i) implementation of the National Forest Inventory in the Cerrado biome; ii) Consolidation of the National Forest Information System as the main platform for dissemination forest information on the Cerrado's forest resources, and; iii) implementation and management of the project.

Findings of preparatory studies / outcomes of implementation activities:

Lack of information on forest resources and Cerrado's forestry sector, updated and in an appropriate format for decision making by the private sector.

Challenges encountered and approaches to address them:

During the preparation phase a comprehensive risk analysis has been done by the consultant team and a Risk Management Plan is part of the project proposal.

Transfer/application of knowledge/lessons/experience beyond FIP activities:

The information generated by the project is expected to feed important national and sub national agendas, related to climate change, biodiversity and sustainable forest management.

3) “Sustainable production in areas previously converted to agricultural use”

Project description (brief):

The overall objective of the Project is to help reduce deforestation and degradation of forest on rural landholdings, reduce emissions and increase carbon sequestration in private landholdings. The project, together with a wider set of initiatives and resources, seeks to contribute to the success of the broader adoption of the ABC Plan by the private sector.

Please highlight any additional advances, challenges, lessons, or impacts you want to share from your FIP activities that have not otherwise been addressed in this update.

The current status of Brazil’s Projects is:

The FIP-ABC Project Proposal has been finalized and is currently waiting for the final approval by the National authorities as well as by the World Bank. The evaluation by the World Bank’s Mission has been positive, and we expect to have the project proposal approved and ready for FIP’s appraisal very soon.

The Forest Information Project proposal has been finalized and is currently waiting for the final approval by the National authorities. The IDB QRR -Quality and Risk Review process was concluded on 19th August. We expect to have the project proposal approved and ready for the FIP’s appraisal soon.

Rural Environmental Cadastre Project (FIP-CAR) is currently being reviewed by and the Investment Plan Coordinator (Executive Secretariat of the Ministry of Environment). Its Framework Document for Environmental and Social Management Projects - GMES has also been completed and is being evaluated by the World Bank. And it should be available soon for public consultation through the internet.

BURKINA FASO

What activities have been undertaken to review progress and coordinate implementation of the FIP investment plan at the country level since the last Pilot Country Meeting? With what regularity do such reviews take place?

Inter-agency	<ul style="list-style-type: none"> • Restitution des travaux de la dernière rencontre du sous comité FIP ; rappel sur les objectifs du programme FIP ; • Elaboration des critères de base pour le choix des zones d'intervention ; • Présentation des zones d'intervention des projets
Development partners	<ul style="list-style-type: none"> • Restitution des travaux de la dernière rencontre du sous comité FIP ; rappel sur les objectifs du programme FIP ; • Elaboration des critères de base pour le choix des zones d'intervention ; • Identification et sélection des zones d'intervention des projets FIP ; • identification des actions ou activités prioritaires pour l'atteinte des objectifs du Programme FIP
Multi-stakeholder	<ul style="list-style-type: none"> • Restitution des travaux de la dernière rencontre du sous comité FIP ; rappel sur les objectifs du programme FIP ; • Elaboration des critères de base pour le choix des zones d'intervention ; • Identification et sélection des zones d'intervention des projets FIP ; • identification des actions ou activités prioritaires pour l'atteinte des objectifs du Programme FIP ;

Please provide an update on activities carried out, challenges encountered, and progress made to set up the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities in your country.

- Restitution des travaux de la dernière rencontre a Istanbul en Turkey sur les communautés locales
- Rencontre des leaders des communautés locales pour l'élaboration de leurs activités prioritaires ;
- Actualisation du fichier relative aux membres de la communauté locale au Burkina Faso
- Présentation des zones d'intervention des projets

What are the opportunities and challenges you have encountered, or expect to encounter, with the implementation of the FIP results framework in the context of your country?

Forte engouement de la population avec des attentes énormes.

1. L'engouement constitue une opportunité car il traduit l'intérêt que la population a avec ce programme plein d'ambition
2. Les défis sont grands car les attentes et l'espoir sont énormes : les populations ont la conviction que le programme pourrait les faire sortir du sous-développement malgré nos (équipe technique FIP) rencontres de sensibilisation sur le terrain.

Please provide an update on the status of your country's FIP projects involving the private sector (note: this includes public sector projects with a private sector focus).

Description du projet (dossier) :

- Le projet de **gestion participative des forêts domaniales (PGPFD)** se concentrera sur la gestion durable des forêts domaniales (réalisation et mise en place de plan d'aménagement)
- Le projet de **gestion décentralisée des ressources forestières et des espaces boisés (PGDDF)** aura une approche intégrée de la gestion durable des ressources naturelles des forêts des collectivités afin de cibler l'ensemble des facteurs directs de déforestation et de leur apporter une réponse structurelle.

Résultats des études/résultats préparatoires des activités d'exécution :

- Mise en place d'une équipe de suivi ;
- Elaboration des critères de base pour le choix des zones d'intervention ;
- Identification et sélection des zones d'intervention des projets FIP ;
- identification des actions ou activités prioritaires pour l'atteinte des objectifs du Programme FIP ;
- élaboration d'un programme d'activités assorti d'un budget

Contexte rencontré et s'approche pour les adresser :

- Approche participative avec une implication forte des Maires des différentes communes impliquées dans le processus de mise en œuvre des projets ;
- Rencontre avec les Conseils régionaux des différentes régions concernées par les Projets FIP

Transfert/application de la connaissance/de leçons/expérience au delà des activités de PAP :

- Nous remarquons que les populations à la base ont une capacité d'adaptation très remarquable face aux changements climatiques ; ils développent souvent des méthodes simples mais efficaces pour la restauration des sols afin d'augmenter leur production

DEMOCRATIC REPUBLIC OF CONGO

<i>What activities have been undertaken to review progress and coordinate implementation of the FIP investment plan at the country level since the last Pilot Country Meeting? With what regularity do such reviews take place?</i>	
Inter-agency	<ul style="list-style-type: none"> - Différentes questions ou initiatives intéressant le FIP au stade de préparation des programmes font régulièrement l'objet soit de téléconférences, soit d'audioconférences entre l'équipe locale et l'équipe de la Banque multilatérale concernée, pour harmoniser et adopter une compréhension commune et progresser dans la préparation. - Les étapes de pré-évaluation et d'évaluation des projets en préparation ont fait l'objet d'atelier de revue de l'état de progrès dans la préparation des projets du Plan d'Investissement. - Le Ministère de l'Environnement, qui pilote le processus REDD, a institué une réunion hebdomadaire d'évaluation de la matrice de gouvernance dans le secteur forestier. A cette occasion, un rapport de progrès et des actions projetées est fait sur les différentes sous-composantes de la matrice dont certaines comportent des aspects relatifs au FIP du pays. - Le Ministère des Finances, à travers sa Cellule Technique de Suivi des projets, fait un suivi mensuel de l'exécution des PTBA des projets à financement extérieur, dont les dons Banque Mondiale et Banque Africaine de développement pour la préparation du FIP, et d'autre part organise des réunions périodiques présidées par le Ministre des Finances pour une revue du statut des différents projets, y compris le FIP, en vue de relever les points forts et les points faibles, tirer les leçons et édicter au besoin les mesures à prendre.
Development partners	<p>1. Banque Mondiale :</p> <ul style="list-style-type: none"> - A l'occasion de deux missions de préparation du projet d'appui au bassin d'approvisionnement de Kinshasa, l'une conduite en janvier/février et la seconde en avril/mai 2013 (pré-évaluation), différentes réunions sont organisées avec les différentes parties prenantes, au niveau décentralisé et au niveau central, pour faire l'état de progrès et s'assurer de la vision commune et partagée des activités envisagées. - Des composantes spécifiques du Plan d'Investissement bénéficient aussi des missions de consultations pour

analyser les aspects complexes en vue d'un appui efficace au secteur privé dans l'agroforesterie et les foyers améliorés ; c'est notamment le partenariat développé avec ACCES pour l'étude du mécanisme approprié de flux financier en faveur du secteur privé pour l'agroforesterie et les foyers améliorés. Le secteur privé, le secteur bancaire et celui de microfinance ont été directement impliqués dans cette analyse en juin 2013.

- Du fait que le processus REDD de la RDC est appuyé aussi par le Fonds de Partenariat pour le Carbone Forestier (FCPF) de la Banque mondiale et que ce processus est entré dans la phase d'investissement, toutes les missions de supervision du processus REDD (2 par an) ont également permis de faire le point sur les synergies avec le FIP.

- **Mission d'évaluation indépendante de ICF international**

La RDC avait été retenue parmi les dix pays à visiter dans le cadre de l'évaluation indépendante des Fonds d'Investissement Climat (CIF). L'objectif en RDC était d'évaluer l'expérience du pays avec le FIP afin de nourrir l'évaluation de l'efficacité des CIF. La mission a été conduite, du 8 au 19 juillet 2013, par Madame Majella Clarke. La mission avait ainsi procédé à une collecte d'informations et d'avis du Gouvernement et de toutes les autres parties prenantes sur la formulation du FIP, ainsi que sur la planification et la mise en œuvre des projets d'investissement. Une visite de terrain a aussi été réalisée en rapport avec un projet MDP de puits de carbone dans l'hinterland de la Ville de Kinshasa, la capitale du pays. Le rapport final intérimaire de l'évaluation a été circulé en août 2013.

2. Banque Africaine de développement

- Comme pour la Banque Mondiale, les missions de préparation conduites en mars (pré-évaluation) et en avril (évaluation) du projet d'appui aux bassins d'approvisionnement de Kananga/Mbuji-Mayi et de Kisangani (Projet Intégré REDD+) ont offert l'occasion de faire l'état de progrès du FIP avec les différentes parties prenantes. A chaque occasion, du reste, une consultation conjointe Gouvernement/BAD/BM est réalisée pour faire le point globalement.

3. Coopération Norvégienne

- La Norvège appuie le processus REDD de la RDC par un financement, à travers le PNUD, pour le renforcement des capacités des parties prenantes, dont le gouvernement et la société civile. Au niveau du pays, la Norvège a montré beaucoup d'intérêt pour le FIP et son représentant a organisé deux rencontres spéciales, l'une en novembre 2012, et l'autre en janvier 2013 pour discuter des synergies possibles du FIP avec un éventuel financement du Gouvernement norvégien pour amorcer la phase d'investissement de la REDD en RDC.
- Depuis mars 2013, un comité de pilotage a été mis en place par le Ministère de l'Environnement et le PNUD pour le nouveau projet en formulation dans le contexte de la transition du pays vers la phase d'investissement et de déploiement sur le terrain (adoption de la stratégie-cadre nationale REDD+ et mise en place du Fonds National REDD en novembre 2012). Pour des meilleures synergies, la Coordination du FIP fait partie de ce comité de pilotage qui se réunit une fois par mois sous la présidence du Secrétaire Général du Ministère de l'Environnement, et qui comprend comme autres membres le PNUD (agence d'exécution), la Norvège, la Banque Mondiale, la Coordination Nationale REDD et la Direction du Développement Durable. Ce projet d'appui aux capacités et à la stratégie pour la préparation de la RDC à la REDD+ a pour activités prioritaires : i) l'opérationnalisation du Fonds National REDD ; et ii) la déclinaison de la stratégie- cadre nationale REDD en un large programme d'investissement. Dans ce contexte, il a été décidé que la définition du programme d'investissement pour la phase 2 de la REDD+ devait être réalisée en étroite collaboration avec l'équipe du FIP, et ce, dans la perspective annoncée d'une dotation norvégienne de 100 millions de dollars américains en faveur du Fonds National REDD.

4. WWF

En tant que préfiguration des investissements REDD, le FIP a retenu une opération de réduction des émissions couvrant un district qui fera partie de la zone juridictionnelle d'un premier contrat d'achat/vente de crédits carbone (ERPA/CAVRE). Dans ce contexte, la Coordination du FIP est pleinement associée à la préparation de l'ER-PIN

	<p>concernée depuis l'atelier de préparation tenu en février 2013, en prenant en compte les avancées dans la formulation du FIP. Cet exercice implique aussi la participation d'autres partenaires au développement, le secteur privé national et international, ainsi que la société civile.</p>
Multi-stakeholder	<ul style="list-style-type: none"> - En ce qui concerne le secteur privé, la Coordination du FIP a mis en place trois groupes de réflexion et de revue des modalités d'implication du secteur privé : i) le groupe d'opérateurs des Foyers Améliorés ; ii) les opérateurs agroforestiers de grande échelle ; et iii) les agrégateurs potentiels pour l'accompagnement des petits producteurs impliqués dans l'agroforesterie. - Dans le cadre des activités de préparation des projets, les nombreuses missions de terrain permettent d'échanger avec les bénéficiaires potentiels à tous les niveaux sur les enjeux et opportunités du FIP. - Dans le cadre de l'appel à proposition en rapport avec le financement « Set Aside », outre le fait de diffuser l'information et la documentation, la Coordination du FIP a assisté principalement les opérateurs privés pour les inciter à travailler sur des offres possibles.

Please provide an update on activities carried out, challenges encountered, and progress made to set up the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities in your country.

- Le montant du MSD pour la RDC est de 6 millions de dollars américains. Avec l'appui de la Coordination du FIP et sur ressources du don Banque Mondiale de préparation des projets du FIP, le Réseau des Peuples Autochtones et Locales pour la gestion durable des Ecosystèmes Forestiers de la RDC (REPALEF) avait organisé le 29 janvier 2013 un atelier de concertation sur les directives générales relatives au MSD en vue de recueillir les commentaires des participants par rapport au contexte du pays pour une réponse transmise au secrétariat du FIP avant la date buttoir du 9 février tel qu'il avait été demandé.
- A la suite d'une requête adressée au Directeur des opérations de la Banque Mondiale, il a été décidé de mettre à la disposition des organisations des peuples autochtones, représentées par le REPALEF, un montant de 40.000 dollars américains pour leur permettre d'anticiper la préparation d'un plan d'action pour la mise en œuvre de la composante nationale du MSD. L'appui permettra de récolter des informations sur terrain en vue d'alimenter le document du plan avec des données sur la situation des droits des peuples autochtones, avec accent sur la tenure foncière et l'accès aux ressources forestières, principalement dans les zones des projets FIP.

- Fin août 2013, une lettre a été adressée à Mme Madhavi Pillai pour disposer de la version finale des Directives générales du MSD afin de servir de référence pour la mise en place des structures de la composante nationale du MSD.
- Le septembre 2013, le REPALEF a eu une séance de travail avec le Point Focal PA du Bureau de la Banque Mondiale pour un échange d'informations sur l'état de progrès du FIP et le MSD, ainsi que sur tous les projets financés par la Banque Mondiale en RDC et qui concernent aussi les PA. La question du Don de préparation du MSD a été évoqué aussi.
- En rapport avec une subvention de 20.000 dollars américains du FCPF à travers la Coordination Nationale REDD, il est prévu de tenir, au cours du mois de septembre, un atelier de validation du plan d'action et de gestion des fonds dédiés aux PA de la RDC dans le cadre du MSD/FIP.

What are the opportunities and challenges you have encountered, or expect to encounter, with the implementation of the FIP results framework in the context of your country?

1. Réduction/Emissions évitées des gaz à effet de serre liés à la déforestation et à la dégradation des forêts et accroissement des stocks de carbone.

Le pays s'est doté d'un système national de surveillance du couvert forestier et un niveau de référence est en construction sur la base des données historiques. Cependant le rythme du travail et les territoires prioritaires ne permettront pas de disposer de ces informations pour les zones de mise en oeuvre du FIP. L'expertise humaine est disponible mais il faut un soutien financier additionnel du FIP pour cette activité.

De même, la comptabilité du carbone est loin d'être réalisée car l'inventaire national est à peine en démarrage pour définir les équations allométriques pour l'estimation de la biomasse aérienne et souterraine et des stocks de carbone. Seules des hypothèses d'estimation du carbone pourront être faites.

2. Renforcement et application des lois et règlements en matière de gestion durable des forêts et de respect des droits des communautés locales et des peuples autochtones.

Le décret instituant les forêts des communautés locales tarde à être pris. Cela va continuer à poser problème pour l'implication effective des communautés dans la gestion des forêts.

Le pays ne dispose pas encore d'un schéma national d'aménagement du territoire et, pour l'accès à la terre en milieu rural, un dualisme persiste entre le droit coutumier et le droit moderne. Dans la pratique, il y a une superposition des deux. L'enjeu pour le FIP de la RDC, qui va appliquer une approche de mise en oeuvre des plans d'aménagement des terroirs, sera d'aider à l'harmonisation de ces deux droits de manière à ce que les plans élaborés de manière participative au niveau local deviennent opposables aux tiers. Il s'agit donc ici de prendre des actions qui vont permettre de nourrir la réforme amorcée de la loi foncière. L'expérience montre qu'il y a une lourdeur dans la prise des textes réglementaires. La

coopération avec Globe international a permis de mettre en place un groupe de parlementaire de travail au niveau national pour appuyer les réformes légales nécessitées par le processus REDD, mais cela ne semble pas donner le résultat escompté. Une bonne opportunité est donnée plutôt au niveau des parlements provinciaux qui, au regard des réalités du terrain, se font forts de trouver des solutions pour éviter les conflits fonciers, notamment en prenant des Edits.

Please provide an update on the status of your country's FIP projects involving the private sector (note: this includes public sector projects with a private sector focus).

Project description (brief):

Le FIP de la RDC a une conception inclusive de la notion de secteur privé : un paysan désireux de planter cinq ha en agroforesterie en fait partie. Le FIP va mettre en œuvre quatre types ou modèles de projet :

- 1) Un modèle intégré incluant l'appui à la structuration paysanne, l'aménagement du territoire, la mise en défens des forêts de grande valeur et des savanes arbustives, l'évolution durable des pratiques agricoles et la diversification, dont l'agroforesterie y compris fruitière, la gestion durable des coupes de bois destinées au charbon de bois. Ce modèle pourra comporter des appuis à des investisseurs privés de grande ampleur, en particulier ceux disposant de grandes concessions dans les territoires concernés (PIREDD du district du Plateau, Bandundu, appuyé par la Banque Mondiale ; PIREDD de Kananga/Mbuji-Mayi/Kisangani appuyé par la BAD).
- 2) Un modèle d'appui à l'agroforesterie à grande échelle, en savane. Un appel à propositions permettra de sélectionner des porteurs de projet. Les études approfondies de leurs projets seront également appuyées, un comité de sélection les appréciera et décidera les modalités des appuis du FIP, sur proposition de la Coordination. Cet appel à propositions vaut pour l'ensemble de la RDC. La part du FIP sur les investissements ne dépassera pas 40 %.
- 3) Un modèle de développement de l'agroforesterie à petite échelle : ce projet s'appuiera sur des Agences Locales d'Exécution, ALE, ONG locales chargées d'accompagner les petits investisseurs, y compris les paysans, dans leurs projets d'agroforesterie.
- 4) Diffusion des foyers améliorés : le projet sera exécuté selon le cadre méthodologique développé par le programme ACCES (Africa Clean Cooking and Energy Solutions) autour des 4 piliers :
 - Assurance Qualité des produits
 - Développement des affaires
 - Accès au financement
 - Cadre institutionnel et réglementaire

Findings of preparatory studies / outcomes of implementation activities:

Les études préparatoires ont montré que:

- Il existe des porteurs de projets assez nombreux capables d'investir à grande ou moyenne échelle sur des plantations et déjà engagés dans celles-ci, sur fonds propres, et sur des terres détenues en biens propres. La coordination du FIP a pu croire un moment et à tort que de tels investisseurs n'existaient pas.
- Les fonds nécessaires pour satisfaire ces besoins d'investissements dépassent les montants disponibles au FIP.
- Il existe une grande attente des paysans vis-à-vis de la relance des cultures fruitières au travers des modèles agroforestiers comprenant des essences à cycle court et, dans certaines provinces ou territoires, le mouvement est déjà engagé.
- Dans certains territoires, les paysans expérimentent spontanément sur la réintroduction des arbres dans leurs systèmes de culture ainsi que sur l'évolution vers des pratiques plus durables ;
- Il ne faut pas compter sur les banques commerciales pour appuyer des investissements agricoles ou forestiers à rentabilité différée. Les taux qu'elles pratiquent sont trop élevés et elles ne sont pas favorables à couvrir ce type d'opération.
- Il n'existe pratiquement pas d'autorité de gestion des ressources naturelles au niveau local qui soit capable de faire prévaloir l'intérêt collectif ; l'intérêt individuel et à court terme s'impose le plus souvent.
- Le statut et la disponibilité du foncier varient d'un territoire à l'autre et d'une province à l'autre. Le refus de l'aliénation privative et définitive du foncier y compris à des autochtones s'affirme dans les provinces les plus peuplées de l'ouest et est perçu comme une menace dans les systèmes à propriété communautaire.

Challenges encountered and approaches to address them:

- Le modèle intégré présenté plus haut (comités locaux de développement, Planification participative de la gestion des ressources naturelles, appuis multiples contractualisés avec les Comités et paiements de service environnementaux en partie aux résultats) affronte le résultat ci-dessus selon lequel la Gestion des Ressources Naturelles se fait sans concertation et sans souci de l'intérêt général, grand challenge pour le FIP.
- Les questions foncières devront être traitées avec souplesse s'agissant des communautés locales et de leurs ressortissants (l'obtention d'un titre de propriété privatif n'est pas toujours obligatoire et il peut être contre indiqué) ; en revanche, pour les investisseurs privés, la détention des titres officiels est indispensable.
- Il est important de bien identifier les évolutions techniques en cours dans les terroirs, qui vont dans le sens de la durabilité, et les soutenir. Le FIP s'est doté d'une composante d'étude et de recherche développement qui permettra cela et de mettre au point des modèles appuyés sur l'expérience locale.

Transfer/application of knowledge/lessons/experience beyond FIP activities:

Les modèles identifiés précédemment pourront être extrapolés à d'autres territoires de la RDC, aussi bien pour la conception de projets que pour celle des systèmes de culture à préconiser en vue d'une meilleure gestion des ressources naturelles. Ils sont déjà partagés avec d'autres

partenaires, notamment le PNUD dans le cadre de la mise au point du Plan d'Investissement du Fonds National REDD (financement norvégien).

Please highlight any additional advances, challenges, lessons, or impacts you want to share from your FIP activities that have not otherwise been addressed in this update.

- Le partage du risque d'échec dans le cas de certaines activités devrait être intégré dans la notion de paiement aux résultats. Peut-on faire payer ce risque uniquement au porteur de projet quand il s'agit par exemple d'incendie des plantations, et si toutes les mesures de précaution ont été prises ?
- Si le FIP se dirige vers des activités de vulgarisation à grande échelle, comme dans le Bas Congo, en utilisant le personnel du Ministère de l'agriculture et du Ministère de l'Environnement, les radios communautaires etc., comment faire le suivi évaluation de l'impact de ces activités, et comment encourager cet impact ?
- Comment passer de projets FIP, sans vente de carbone, à des projets où la réduction d'émission sera soigneusement mesurée ? et comment encourager la naissance d'opérateurs capables de commercialiser les crédits carbone ainsi produits ?
- Pour les petits producteurs en particulier, il serait important d'envisager un renforcement des capacités des structures d'accompagnement dans la vente des crédits carbone en suivant un modèle du type développé dans le programme TIST (The International Small Group and Tree Planting Program), comme UMET (Ukuzaji Maendeleo Endelevu Tanzania Ltd). De même, les visites d'échanges avec de telles initiatives seraient très bénéfiques.

GHANA

<i>What activities have been undertaken to review progress and coordinate implementation of the FIP investment plan at the country level since the last Pilot Country Meeting? With what regularity do such reviews take place?</i>	
Inter-agency	<p>The Ministry of Lands and Natural Resources (MLNR) is the executing agency for the FIP. MLNR has responsibility for policy, legislation formulation, and monitoring and evaluation for the forestry and natural resources sectors. MLNR is supported in the implementation of this project by (i) the Ministry of Lands Environment, Science, Technology and Innovation (MESTI), which will ensure that climate change mitigation and adaptation policy actions under the programme are implemented in line with national priorities; (ii) the Ministry of Finance (MoF), which has the responsibility of coordination of donor support in the country. (iii) the Ministry of Food and Agriculture (MoFA), which is responsible for ensuring that there is increased carbon stocks within farms outside of forest reserves under the programme; (iv) The Ministry of Local Government and Rural Development (MLGRD), which will ensure that the decentralised structures at the local level are well integrated into the programme decision-making process.</p> <p>In addition to the Ministries there are a number of Government Agencies which would support programme implementation. These include the Forestry Commission (FC), which is the implementation of executory arm of MLNR and would be largely responsible for programme execution at the field level; the Forestry Research Institute of Ghana (FORIG), which is under MESTI and responsible for providing good quality seeds and seedlings for the enhancement of carbon stocks project under the programme.</p>
Development partners	<p>Currently, the development partners in the environmental and natural resources sectors in Ghana have formed a group called the Environment and Natural Resources Sector Group (ENRSG). The group is led by the European Union (EU) and includes the World Bank (WB), Africa Development Bank (AfDB), Royal Netherlands Government, U.K Government and German Government. It is expected that for the implementation of the FIP the existing ENRSG will be expanded to include new donors to the REDD⁺ programme including Switzerland, Japan, United States of America, the International Finance Corporation (IFC) and the Food and Agriculture Organization (FAO Regional Office in Ghana).</p>

Multi-stakeholder	During the preparation of the Concept Note of the Forest Investment Plan, the Government of Ghana organized several meetings and set up arrangements to seek inputs from a broad range of stakeholders and interest groups, and to build awareness and support for the program. The major stakeholder groupings consulted include; Public Sector Agencies; Wood Industry Associations, Commercial plantation developers; Traditional Authorities; Civil Society Groups; Environmental Non-Governmental Organisations and local community groups (A detailed list is presented as Annex 1).
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Please provide an update on activities carried out, challenges encountered, and progress made to set up the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities in your country.

Under the Dedicated Grant Mechanism – DGM (additional FIP resources that the Government of Ghana secured from the FIP), will be available to further support community participation in the overall FIP Program. Preparation for the Dedicated Grant Mechanism for Indigenous People and Local Communities (DGM) is still in the naissance stage. The DGM will be channeled directly to communities and emphasis will be on capacity building. It is anticipated that a concept note will be finalized by early June with project preparation starting mid-year. Internal funds have been released for the Bank to prepare the concept note and develop governance structures. The linkages between the DGM and the FIP should be discussed during the mission.

Currently a consultant is being recruited to (i) Facilitate the selection of an executing agency for DGM implementation (ii) Ensure consensus building (iii) Facilitate broad stakeholder engagement and (iv) To ensure harmonisation of local community involvement of the different REDD⁺ projects, including FIP.

What are the opportunities and challenges you have encountered, or expect to encounter, with the implementation of the FIP results framework in the context of your country?

Currently, the three projects that were proposed under the approved Concept Note of the FIP are under development. Hence they have not yet been implemented. We would thus share the experiences that have been encountered during project development.

First of all it has been realised that the FIP results framework is broad enough to be used by the different programmes being implemented within the Forestry sector of the Country. The kind of indicators selected would encourage the different data collection and reporting agencies within the forestry and environmental sectors to work together and share information in complying with the reporting requirements under the FIP Results Framework. The challenge is getting all the development partners to agree to the use of the FIP results framework to report on all aspects of the REDD⁺ programmes being implemented in the country.

Another opportunity is that the FIP Results Framework is such that it provides public sector agencies, private sector groups and civil society with better means of tracking progress made in

the implementation of activities carried out under the different REDD⁺ projects. It also helps in promoting service delivery, planning and allocating resources, and demonstrating results, which are agreed on prior to programme implementation as part of accountability to key stakeholders.

The challenge is how to manage the information resulting from the three different FIP projects such that they contribute to the achievement of the results framework presented in the Concept Note. This is a challenge because the three different projects is being developed by Government with the support of the different development partners at different times and rates of progress, instead of being developed together as envisaged in the Concept Note. This is largely due to the different project development processes of the three different development partners who are supporting project development under the FIP in the country.

Another major challenge which is envisaged to occur during the implementation of the FIP results framework is the high cost of data collection to satisfy the requirements imposed on countries under the Results Framework. Ghana therefore appreciates the current effort by Pilot Countries and Development Partners resulting in the reduction of the number of indicators for annual reporting and also made it easier and cost effective for countries to comply with the annual reporting requirements.

Please provide an update on the status of your country's FIP projects involving the private sector (note: this includes public sector projects with a private sector focus).

PROJECT DESCRIPTION:

The GFIP in Ghana targets three investment areas: (1) Mitigation actions related to forests; (2) Investments outside the forest sector, primarily agriculture and cocoa sector, necessary to reduce the pressure on forests; and (3) Institutional capacity including forest management and information. The GFIP puts emphasis on the catalytic and transformational role of the interventions. The GFIP is designed with the aim of benefitting from the specific experience of three Multilateral Development Banks (MDBs), namely; the World Bank (WB), the African Development Bank (AfDB) and International Finance Corporation (IFC), to add value and building on the potential complementarity and synergies of their respective expertise. The WB will support the development and implementation of Project 1 where the strength and expertise of the WB will add greatest value to the investment programme. Project 1 will be dealing with coordination and enabling policy environment, underpinned by land use planning, piloting tree and carbon tenure and Forest Reserve management models, and landscape connectivity models.

The African Development Bank (AfDB) has a long experience of involvement of local communities in sustainable resource management, both in agriculture and the forestry sector. AfDB will be responsible for Project 2, dealing with piloting innovative approaches and climate smart agricultural models in the agricultural sector, with specific emphasis on the cocoa farming system. The International Finance Corporation (IFC) has extensive experience working with investments in the private sector, including with multiple forestry companies in Sub-Saharan Africa. Project 3 led by IFC will seek to engage the private sector in a REDD+ investment program, as well providing technical assistance and capacity building. Project 3 will complement the interventions of the two other projects, especially from the investment, and financial and

market incentives angle, and provided the basis for scaling up successful actions.

Currently, Project 2 is completed and will be submitted to the FIP Sub-Committee for approval and subsequently to the Board of AfDB for further approval. Project 1 supported by the WB and Project 3 supported by the IFC are being developed.

FINDINGS OF PREPARATORY STUDIES / OUTCOMES OF IMPLEMENTATION ACTIVITIES:

Preparatory activities have included detailed consultations with and studies on the forestry private sector in Ghana. The FIP consultation process included discussions with the private sector (the timber industry, wood workers associations, plantation developers, cocoa farmers, and those involved in charcoal production, agriculture, and finance). It was noted that there was the need to operationalise policy actions and incentives that support the full engagement of the private sector in the implementation of the REDD⁺ projects. One of the major outcomes was that there was a myriad of small private timber dealers whose activities impact on the forests and who should be supported to contribute to the reduction in deforestation and forest degradation, including working towards carbon enhancement through forest and plantation development.

Currently, it is only Project 2, namely "Engaging Local Communities in REDD+/ Enhancing Carbon Stocks" (ELCIR+) that has been developed. The ELCIR+ design and implementation arrangement have retained the same stakeholder consultation structures that include the private sector, civil society and community organizations. Specific activities have been identified to strengthen the participation of the private sector in the implementation of REDD⁺ actions. In fact Component 1 of Project 2 is aimed at "Supporting Enabling Mechanisms for Local Community and **Private Sector Engagement** in Restoration of Degraded Forests and Agricultural Landscapes". The project is also aimed at promoting and developing mechanisms for capacity building for transparent governance, equity in benefit sharing and public and private sector participation in forest and wildlife resource management. The capacity of participating private sector groups would be built to enable them work with the decentralised forestry governance system at the local community levels to ensure transparency, accountability and equity in access and benefits in resource utilisation.

The projects that are being developed seeks to encourage increased private sector involvement in the promotion of pro-REDD⁺ activities, including private sector plantation activities. The projects have also focused on the promotion of private sector investment in international best practice plantations and community woodlots to reduce deforestation in charcoal producing areas. It further proposes the removal of the principal barriers and puts in place the needed incentives for private sector involvement and investment in pro-REDD⁺ activities.

CHALLENGES ENCOUNTERED AND APPROACHES TO ADDRESS THEM:

The major challenge has been on how to sustain private sector interest in the development of the different projects. Where the benefits to them have not been substantial, the private sector has not show active interest in the development of the actions. Secondly, the representatives the private sector agencies send to the meetings to represent them have been officers of lower status who are unable to contribute effectively to the policy decisions. In order to address this challenge

the project development team had one-on-one discussions and consultations with the senior officers of the companies on their premises.

TRANSFER/APPLICATION OF KNOWLEDGE/LESSONS/EXPERIENCE BEYOND FIP ACTIVITIES:

Lessons learnt have been on project development since none of the projects have been approved for implementation. Lessons learnt which have been considered in the design and implementation arrangement for ELCIR+ (Project 2) include: (a) importance of benefit sharing schemes for plantation development in degraded areas for sustainability (b) the need for enhanced access to improved seed varieties, farm land and extension services (c) institutional and community capacity building as an important building block for sustainability of project outcomes (d) alternative livelihoods/improved incomes through seedling sales, processing and value addition. Lessons learnt also include the need for linkages of knowledge generated at local level to policy development processes and overall natural resources governance, including adopting the low carbon green economy being implemented at the national level to the FIP Programme development.

Please highlight any additional advances, challenges, lessons, or impacts you want to share from your FIP activities that have not otherwise been addressed in this update.

The additional challenges encountered are as follows:

1. DEVELOPMENT OF THREE PROJECTS UNDER THE FIP AT DIFFERENT TIMES

The three projects under the FIP are being developed at different periods and therefore there has been a challenge in integrating activities aimed at the private sector in the different projects. Ensuring that there is no duplicity in actions to support the private sector has remained a challenge.

2. MANAGING EXPECTATIONS OF THE DIFFERENT STAKEHOLDER GROUPS.

The expectations of the different stakeholders are different and that has impacted on project development. For example, the expectation of the private sector is that the FIP will lead to an expansion of trade especially access to European and American markets for their wood products. The public sector is concerned with capacity building, whilst the Traditional Authorities and local community groups are interested in increased benefits to them. Managing such different expectations has proved in some instances to be difficult resulting in conflicts.

3. CHALLENGES IN COORDINATION OF DEVELOPMENT PARTNERS:

The challenge is that development partners are not speaking with one voice with respect to the priority areas facing the Forestry and Environment Sectors in Ghana and on how to address these challenges. Whereas there seems to be an active Government of Ghana and Development Partner collaboration in the development and implementation of the GFIP, there seems to be little coordination between bi-lateral and multi-lateral donor interests, leading to differences in policies and priorities.

Annex 1: List of Key Stakeholders who have participated in the FIP process

NO.	ORGANIZATION
1	Forestry Commission (FC), Headquarters, Accra
2	Forest Services Division (FSD) of the Forestry Commission (FC), Accra
3	Wildlife Division (WD) of the Forestry Commission (FC). Accra
4	Timber Industry Development Division (TIDD) of the Forestry Commission (FC), Takoradi
5	Resources Management Support Centre (RMSC) of the Forestry Commission (FC), Kumasi
6	Climate Change/REDD ⁺ Unit of the Forestry Commission (FC), Accra
7	Forestry Research Institute of Ghana of the Council for Scientific and Industrial Research (CSIR-FORIG), Kumasi
8	Crops Research Institute of the Council for Scientific and Industrial Research (CSIR-CRI), Kumasi
9	Soil Research Institute of the Council for Scientific and Industrial Research (CSIR-SRI), Kumasi
10	National Forest Forum, Kumasi
11	Food and Agriculture Organisation (FAO), Accra
12	International Union for the Conservation of Nature (IUCN-GFP), Accra
13	National Development Planning Commission (NDPC), Accra
14	Ministry of Finance (MoF), Accra
15	Ministry of Lands and Natural Resources (MLNR), Accra
16	Ministry of Environment, Science, technology and Innovation (MESTI), Accra
17	Ministry of Food and Agriculture (MoFA), Accra
18	Ministry of Local Government and Rural Development (MLGRD), Accra
19	Ghana Timber Millers Organisation (GTMO) grouping over 50 timber processing companies, Kumasi
20	Furniture and Wood Workers Association of Ghana (FAWAG), which groups over 100 furniture producers across the country, Kumasi
21	Ghana Timber Association (GTA) grouping over 30 timber harvesting companies, Kumasi
22	Form Ghana, which is a commercial plantation developer, Berekum
23	FC/Industry Plantation Development Group, which is a commercial plantation developer, Kumasi
24	Traditional Authorities; over 20 Chiefs of some of the communities in the three (3) pilot

NO.	ORGANIZATION
	areas have been consulted
25	Civil Society Groups. Several CSOs have been consulted in the preparation of the Concept Note of the FIP.
26	Non-Governmental Organisations (NGOs). Over 25 NGOs located within the three pilot areas were consulted in the preparation of the Concept Note of the FIP.
27	Local Community Groups, including Taungya Groups and Community Resource Management Area (CREMA) groups. Over 30 of such groups have been consulted

INDONESIA

<i>What activities have been undertaken to review progress and coordinate implementation of the FIP investment plan at the country level since the last Pilot Country Meeting? With what regularity do such reviews take place?</i>	
Inter-agency	<ul style="list-style-type: none"> • The FIP Indonesia team is interagency, including Ministry of Forestry, Ministry of Finance, National Development Planning Agency, REDD+ Task Force, Coordinating Ministry on Economics, and the supporting MDBs. • A broad inter-agency meeting was held on 14 February 2013, which was attended by around 75 people representing the inter-agency FIP Team, the National Forest Council, and Development Partners. The Secretary General of the Ministry of Forestry chaired the meeting, while the FIP Focal Point Indonesia presented a briefing. The meeting stressed, among others, on the importance of coordination and integration of the planing and implementation of the three projects of FIP Indonesia. • A FIP National Steering Committee was established on 4 April 2013, chaired by the Secretary General of the Ministry of Forestry, while Vice-Chair is from Ministry of Finance, and membership from Ministry of Home Affairs, National Development Planning Agency, Presidential Delivery Unit, and National Forest Council representing its five chambers (Private Sector, Community, NGOs, Academics, and Government). The MDBs are observers. The FIP steering committee meetings are held at least once in 6 months. • Other inter-agency meetings are held at a short notice to address immediate issues.
Development partners	<ul style="list-style-type: none"> • Apart from the MDBs, other development partners are consulted in the FIP process, including for example, through the broad consultation on 14 February 2013. • They are also consulted separately in the process of project development. For example, German International Cooperation Agency GIZ is a major partner in the development of Project 2 which focuses on supporting FMU development, which GIZ has also been working on. • Some development partners are considering to cooperate note only in technical aspects of FIP project implementation but also through providing additional co-financing.
Multi-stakeholder	<ul style="list-style-type: none"> • Since quite early, FIP Indonesia's multi-stakeholder dialogue has been facilitated by the National Forest Council (DKN) which has five chambers. They are legitimate in

	<p>terms of the mandate from their constituents, and they are independent.</p> <ul style="list-style-type: none"> • Recently the DKN held two major meetings of its chambers to discuss FIP, that is on 28 June 2013 in Bogor and 19 July 2013 in Yogyakarta. The chambers have their respective positions on FIP, some supporting others questioning or against. The National Forest Council has been committed to supporting FIP by providing an objective forum for all groups of stakeholders to discuss FIP and its progress in implementation, and to convey the salient points to FIP Steering Committee.
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Please provide an update on activities carried out, challenges encountered, and progress made to set up the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities in your country.

- Indonesia has been represented by AMAN and other Indonesian CSO representatives in the global process of DGM.
- Upon request from the CIF Administrative Unit, the Indonesia FIP Focal Point held a kick off meeting on the preparation of a National DGM Steering Committee where the DKN was asked to steer this process.
- The DKN held a national meeting to discuss the setting up of the DGM Steering Committee on 17 June 2013 in Yogyakarta, and continued with a workshop on the same issue on 19 July 2013 in Yogyakarta.
- The meetings discussed the (i) work-principles, (ii) tasks and responsibilities, (iii) roles and authorities, (iv) structure, mechanism and work-rules, and (v) selection mechanism of the DGM National Steering Committee.
- It is expected that the DKN organized process to discuss the Steering Committee will take several months until the end of 2013. Project preparation will start immediately after.
- A serious challenge for DGM is how to manage multiple expectations of DGM by local communities in a large, diverse country like Indonesia. This might need additional resources to discuss potential benefits of DGM and opportunities for linking DGM activities with activities of FIP investment projects in selected provinces.

What are the opportunities and challenges you have encountered, or expect to encounter, with the implementation of the FIP results framework in the context of your country?

- The baselines will be established through an early activity of the projects. Challenges will arise and need addressing or amendment of the result framework.
- The selection of Forest Management Unit development as the key area for engagement represents a broad consensus between national stakeholders, as it will concentrate on the most needed governance arrangements in the forest sector. As the FIP process promotes one of the most important reform processes in the forest sector, major changes are expected on the medium term, including the reduction of emissions. It has been difficult to convey this message to donors and global participants.
- The FIP Indonesia team feels that there are still too many indicators in the results framework

and that resources available for monitoring the indicators would be considerable. The baseline setting alone would have substantial transaction costs, and the attribution to FIP remains a major challenge given the fact that Indonesia has several ongoing sustainable forest management programs in the same areas where FIP investment projects are going to be implemented. Further clarity on simplified results framework is expected in Yogyakarta meeting.

Please provide an update on the status of your country's FIP projects involving the private sector (note: this includes public sector projects with a private sector focus).

Project description (brief):

- Project 3 of FIP Indonesia “Strengthening Forestry Enterprises to Mitigate Carbon Emissions” is dedicated to the private sector, using the concessional loan of 32.5 million USD, plus a grant portion of 2.5 million USD.
- The project will partner with downstream and integrated forestry lead firms to improve wood supplies, increase planted forests, and improve environmental and social (E&S) performance and production efficiency.
- This will be done through services around strategic community investment, development of new supply chains, establishment of extension services for community forestry enterprises (CFE), creation of innovative partnerships for CFE plantations (including access to finance and markets), implementation of client E&S systems and resource efficiency analysis.
- The project will contribute to GHG emissions reduction, and increased farmers reached and access to finance. Additionally, the project also aims to improve firm and CFE performance and generate new investment opportunities.

Findings of preparatory studies:

- There is a mismatch between supply and demand. In particular, there is not enough legal, high quality, commercially available industrial roundwood available for the wood processing industry.
- Reasons for this supply shortage are two-fold. Companies have been (and are) hesitant to expand industrial forests (HTI) based on risks related to social or land conflicts, lack of financing or the complicated regulatory environment in Indonesia. Communities have been (and are) hesitant to apply for and plant community concessions (HTR) because of the lack of a strong business case (in particular for pulp), the complicated application process, lack of financing, and their general lack of business and forestry skills.
- Root causes of these problems include a general lack of education for rural communities in Indonesia, long rotation cycles for most wood species combined with a short-term economic mindset of many communities, a history of rent-seeking behavior around forestry concessions by forestry firms and the government, an imperfect land allocation system, and regulatory market distortions for certain wood products (e.g. pulp).
- A number of specific market failures can be identified in this context:
 - Problems in access to forestry land and wood supplies due to lack of trust (between firms and communities) and problems around the concession allocation system, leading to insufficient investment and new planting of forest land.
 - Lack of cashflow to complete the wood harvest cycle (for communities) - even if the business case is solid, not all communities can afford to invest with a promise of

- returns in 8 - 14 years' time.
- Lack of affordable services for CFEs around contract negotiation, general business administration and operational forest management. This lack of support makes it for CFEs difficult to deal with large forestry companies, see the business opportunities, or apply for external financing.

Challenges encountered and approaches to address them:

- Wood supply chains typically involve communities on or around the concession plantation area. Given the imperfect land concession situation in Indonesia, it has proven extremely hard to achieve satisfactory solutions for this through the legal system. The project will provide firms a product called Strategic Community Investment (SCI), focused on strategically assessing and improving its relationship and investments with affected communities.
- In upstream forestry, additional supply chains and mixed plantations can play an important role in managing and improving cash flows, specifically with cash-poor suppliers (e.g. communities). Examples include mixed cropping with industrial crops (e.g. cassava for paper production) or food crops for secondary supply chains into lead firms. New supply chains can also focus on developing wood by-products that can be used as inputs for further processing, like charcoal or biomass for energy generation. The project will work with external suppliers on setting up new supply chains, developing business cases and plans, providing assistance in setting up contracts, quality control, general business training and overall assistance in commercial operations.
- In the Indonesian context, private-led extension units can serve as a welcome complement to government-established FMUs (KPHs), and can play an important role in developing best practices and serving as a model for FMU operations going forward. The project will set up and improve private sector-led extension services to smallholders or (forest) communities.
- Where communities and lead firms are both interested, the project will provide knowledge, investment capacity and contacts in the financial and agribusiness sectors to develop new models for forestry management. Examples of these partnerships include: agri-finance through lead firms; contract farming; re-forestation through in-kind loans; securitization of wood volume growth, etc.
- A key obstacle for working with socially and environmentally responsible financiers in general, is the need to provide detailed information on E&S issues and manage these at an ongoing basis. The project will help firms and CFEs set up and enhance E&S management systems.
- Forestry firms and CFEs can save costs, prevent waste, and reduce greenhouse gas emissions through more efficient use of energy, water, and materials. The project will provide information and knowledge on best practices, customize solutions on cleaner production methods and technologies, and build awareness on opportunities available in improved efficiency.

Transfer/application of knowledge/lessons/experience beyond FIP activities:

- Access to forestry financing through value chains and local financial intermediaries (FI) is a bottle neck throughout the sector. By providing support and sharing some financial risks, the project can demonstrate examples of different financing approaches. These can then be replicated and help transform the Indonesia forestry sector.

Please highlight any additional advances, challenges, lessons, or impacts you want to share from your FIP activities that have not otherwise been addressed in this update.

FIP Indonesia team contributed to regional discussions on REDD+ and sustainable forest management. For example (a) FIP's contribution to the issue of transboundary management of forest resources in Kalimantan was discussed at the Ministerial meeting of the Heart of Borneo Initiative (Brunei, Malaysia and Indonesia) held on 7 September 2013. (b) A special session on social forestry and FIP was organized as part of 4th conference of the ASEAN Social Forestry Network (16-18 June 2013) in Luang Prabang, Lao PDR, to discuss the best practices from social forestry relevant for effective implementation of FIP in Indonesia.

LAO PDR

<i>What activities have been undertaken to review progress and coordinate implementation of the FIP investment plan at the country level since the last Pilot Country Meeting? With what regularity do such reviews take place?</i>	
Inter-agency	<p>The FIP in Lao PDR are undertaken by two ministries with participating of multi stakeholders including agencies at sub-national, local communities and non-government organisations. Two leading implementing agencies are Department of Forestry (DoF) under Ministry of Agriculture and Forestry, and Department of Forest Resource Management (DFRM) under Ministry of Natural Resource and Environment. Communication between DoF and DFRM are frequently carried out in both informal and formal manners.</p> <p>In reaching to wider stakeholders, FIP activities are reported at the Forest Sub-Sector Working Group (FSSWG), which is organised two times a year between government relevant agencies and the development partners (including donors and Civil Society Organisations). In addition, during the preparation for starting up, and designing the sub-projects of FIP, many consultation meetings were organised with participation of all stage holders. The meetings were organised in both central and provincial levels to cover all targeted provinces.</p>
Development partners	See above
Multi-stakeholder	See above

<i>Please provide an update on activities carried out, challenges encountered, and progress made to set up the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities in your country.</i>	
<p>The start up process in the country has been very slow due to a lack of approved Global Operational Guideline which is very important in guiding the local operational framework. An internal meeting between the key local CSOs was carried out to debrief each other on the outcome of the FIP Committee Meeting in DC in May this year. It is important to note that the local CSOs in Lao PDR have been established for less than 3 years. Thus, they are relatively young in experiences on operation and lack qualified human resources. Without additional technical and financial supports to facilitate the dialogues between them and other stakeholders such as local communities and the government, it will be very challenging to maintain the momentum and start up the DGM activities in country.</p>	

What are the opportunities and challenges you have encountered, or expect to encounter, with the implementation of the FIP results framework in the context of your country?

In the past decade, Lao PDR has carried out the practice of Participatory Sustainable Forest Management (PSFM) within the Production Forest Areas (PFAs). While the country could achieve some targets and objectives of PSFM, the tasks are still far from completing. There are still large areas of PFAs and other kinds of Forest Areas have not been under PSFM. In addition, there are numbers of issues relating to effective participation of communities need to be improved in order to promoting effective participation of the communities in PSFM, and to promote communities' benefit sharing. Thus, three sub-projects of FIP designed to scale up PSFM in PFAs, and to introduce PSFM in other kind of National Designated Forest Areas, and to promote private and farmers to engage in plantation are providing good opportunities to Lao PDR to consolidate the national forest management scheme under National Forest Strategy 2020 (NFS 2020).

Major challenges include aligning some safeguard policies with Government Strategy to improve villager livelihood through policy of consolidating villages in order to provide better service delivery to communities; and integrating the objectives of the project with national economic development plan. National priorities for economic development, partly, rely on energy sector (hydro power) and natural resources (mining) and agriculture (expanding large scale agriculture). They can pose potential pressures on the tasks of PSFM, particularly to retain and increase forest areas (forest cover) as clearly defined in the Project Development Objectives (PDO) and National Forest Strategy 2020 (NFS 2020).

Please provide an update on the status of your country's FIP projects involving the private sector (note: this includes public sector projects with a private sector focus).

Project description (brief):

Lao FIP Programme designed to include the Smallholder Forestry to directly promote and engage private sectors and farmers in plantations in degraded lands and underused lands forest areas outside the state forest areas. This proposal conforms to the Smallholder Forestry Program in Lao PDR's FIP Investment Plan. The overall proposed program aims to develop successful Out Grower Schemes (OGS) in partnership with private sector forestry companies as a means to contribute to net reductions of GHG emissions and improve the livelihoods and income of the participating farmers.

Findings of preparatory studies / outcomes of implementation activities:

Following the Investment Plan endorsement, IFC which leads on implementation of this sub-project of Smallholder Forestry undertook a scoping study and carried out further identification missions to develop the proposed program interventions. The concept of the proposed program will be initially tested by starting work in partnership with a commercial private sector forestry company at a modest scale to strengthen buy-in by all stakeholders, build up farmer confidence and experience with a range of different tree and crop combinations demonstrating therefore the viability of the proposed OGS model. The two components of the program are as follows: 1). Farmer Engagement Plan (FEP) through Out Grower Scheme Model (OGM) and Land Security Promotion; 2). Farmer Organization and Capacity Building through Establish Farmer Groups and Farmer Technical Capacity Building.

Challenges encountered and approaches to address them:

Market Barriers:

The rapid economic growth in Lao PDR and neighbouring countries in recent years has increased the demand for a wide range of commodities. Lao farmers derive very little benefit from these opportunities because they are not organized to capture the benefits of scale to access markets efficiently, lack the technology to diversify their farming systems and the financial resources to invest in inputs required such as seed, fertilizer and fencing materials. There have also been major problems with access to land and security of land tenure for both farmers and private sector companies that have greatly restrained progress.

The transformation of degraded forest and land into productive use has proven to be a challenge for the GoL, as well as the private sector. The main market barriers that need to be addressed to promote Smallholder Forestry are as follows:

Limited success in company community partnerships in the forestry sector: Private enterprises managing concessions for tree plantations in Lao often have encountered limited success themselves in the past due to a failure to fully appreciate the importance of soil quality and the difficulties of securing sufficient land. A major contributory factor in the past to the lack of success with OGS has been the failure by the companies or the government to provide sufficiently intensive extension services. Companies have tended to provide seedlings and then leave the farmers to look after the plantations, but the farmers have not been adequately advised and supervised on maintenance, which is crucial for the survival and growth of the trees. Thus many of the smallholder plantations have failed or seriously underperformed.

Limited GoL capacity in land transfer to rural communities: There has been considerable development on the regulatory framework in the Lao forest sector since mid 1990s. However, the regulatory framework is hindered by capacity issues to implement and enforce laws. As a result, land security is a concern among villagers vis-à-vis farmers because land use plans are outdated or not conducted at all. In addition, there has been hardly any legal land ownership proof and existing contracts contained no clear stipulation of rights, benefits and obligations. Villagers' poor understanding of land ownership obligations and benefits including the absence of a proper farmer organization body exacerbates this issue.

Limited community organizational capacity, poor technical and business skills of farmers to produce agricultural and forestry commodities: Communities lack the organizational capacity and technical skills to produce agricultural and forestry commodities at a scale and in a cost effective and sustainable manner to capture markets. As a consequence, these communities face substantial constraints to perform sustainable economic activities and consequently improve their livelihoods.

Transfer/application of knowledge/lessons/experience beyond FIP activities:

Once the approach has been successfully piloted and lessons learnt incorporated into the program design it will be scaled up and then replicated with other companies operating, and reached out many farmers through the country.

MEXICO

What activities have been undertaken to review progress and coordinate implementation of the FIP investment plan at the country level since the last Pilot Country Meeting? With what regularity do such reviews take place?	
Inter-agency	<p>During the process of developing the technical models to be financed by Project 3 of Mexico's Investment Plan (IP), there has been a series of meetings and workshops where National Forestry Commission (CONAFOR in Spanish) and the Inter-American Development Bank (IADB) collaborate with Financiera Rural (Mexican development institution), as the project executing agency, and the consultants in charge, to "tailor" the financing models, so can they respond to the specific needs of the beneficiaries.</p> <p>Regarding Project 4, there has been continuous communication with CONAFOR, IADB/Multilateral Investment Fund (MIF) and the two executing agencies, to develop the operational guidelines of the project (<i>more information is provided in the private sector section of this document</i>).</p>
Development partners	<p>A Joint Workshop took place in April 2013, whose objective was to share the status of all four projects of Mexico's IP and its related activities. This event was also useful to determine the upcoming steps for the development of Mexico's IP.</p> <p>The workshop included the participation of stakeholders involved in the design, planning, execution and monitoring and evaluation of the FIP projects and other FIP-relevant programs, including:</p> <ul style="list-style-type: none"> • CONAFOR • National Commission for the Knowledge and Use of Biodiversity (CONABIO) • Financiera Rural • Mexican Fund for the Conservation of Nature (FMCN in Spanish) • FINDECA (rural financing institution) • Mexico-Norway Cooperation (Mexico's MRV System) • Latin America Investment Facility (LAIF) • Global Environmental Facility (GEF) • IADB/MIF • International Bank for Reconstruction and Development (IBRD) • Local Technical Agents, Intermunicipal Associations <p>This workshop is intended to happen at least once a year.</p>
Multi-stakeholder	<p>In August 2013, Mexico submitted a proposal under the competitive Set</p>

	<p>Aside of the FIP. The project schemes out a collaboration of the IADB and the Government of Quintana Roo State to potentiate a guarantee fund for the financing of low carbon forest investments, involving private sector financial institutions.</p>
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Please provide an update on activities carried out, challenges encountered, and progress made to set up the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities in your country.

Activities: Meetings took place between CONAFOR, as country’s FIP focal point and the interim members of the transitional committee, who also prepared consultations with key actors including themselves, local government and local technical agents, within the regions where the DGM will be implemented. (Early Action REDD+ Areas in Jalisco, Oaxaca, Campeche, Yucatán y Quintana Roo).

Progress: Interim members are currently organizing workshops in each of the EARA’s, with the participation of indigenous and local leaders, for the purposes of selecting the MDB that will be in charge of the national component..

Challenges: The consultation process must be flexible enough to allow every country to respond to the own idiosyncrasy of its different indigenous groups and local communities. In addition, it is vital to follow a transparent and inclusive process, to correctly take into account the points of view of all relevant stakeholders.

What are the opportunities and challenges you have encountered, or expect to encounter, with the implementation of the FIP results framework in the context of your country?

Opportunities: The results framework, applied in concordance with the national’s monitoring and evaluation system, will help **articulate** the four FIP projects, with the purpose of showing how each one **contributes** to the expected outcomes. Additionally, the current work in terms of the proposed set of **core indicators**, will allow the country to report in an accurate and reliable way its IP results, based upon the existing measuring tools in the country.

Challenges: The accomplishment of the results at IP level depends largely on the effort put into an adequate multi-institutional **coordination** to align project activities.

Please provide an update on the status of your country’s FIP projects involving the private sector (note: this includes public sector projects with a private sector focus).

Project description (brief):

Project 4 of Mexico’s IP “*Support for Forest Related Micro, Small and Medium Enterprises in Ejidos and Communities (MSME's)*”, part of Mexico’s FIP Investment Plan, aims to improve profitability and social and financial sustainability of Community Forest Enterprises (CFE’s) in ejidos and other forest communities while contributing to climate change mitigation.

To approach the barriers of credit access for the forest sector, the project considers a holistic strategy, including two specialized executing agencies. FINDECA, a financial institution aimed at the rural sector, will build on its experience with lending to rural producers to increase access to finance to CFE's, while the Mexican Fund of the Conservation of Nature (FMCN), through on-the-ground partners and coordinating with CONAFOR and Financiera Rural, will provide the environmental management and entrepreneurial technical assistance and capacity building components of the project.

Currently, different approaches are discussed and integrated for the instruments and elements of implementation, operation, monitoring and control, as well as the strategic planning for project operation. Additionally, early October is the date expected for both executing agencies to sign the legal agreements with the MIF, to begin with the project early implementation.

Findings of preparatory studies / outcomes of implementation activities:

The project is still in pre-implementation stage.

Challenges encountered and approaches to address them:

Currency exchange risk, which was mitigated by the approval of the loan disbursement in local currency. Moreover, the project considers the design of a hedge mechanism by the credit's executing agency (FINDECA).

Another major challenge is the alignment of Government policies in its different levels, and the availability of strengthened schemes of management, organization and governance for the owners and inhabitants of the project areas, in order for them to become their main promoters. For this, project resources will be committed towards a comprehensive capacity building that in turn, will allow a prompter project consolidation.

Transfer/application of knowledge/lessons/experience beyond FIP activities:

Even when the project is yet in a design phase, lessons learned point that organization and capacity building are key elements for loan recipients, in order to achieve a correct implementation. Furthermore, this knowledge basis will help visualize some other operative schemes.

Please highlight any additional advances, challenges, lessons, or impacts you want to share from your FIP activities that have not otherwise been addressed in this update.

- Project implementation must respect FIP principles and objectives. However, execution flexibility is a key to success. During the REDD+ readiness process in Mexico, a dedicated effort is required to align all work plans, combine outcomes and avoid duplicities in these projects and initiatives.

- It is important to consider all the institutional challenges that the implementation of these innovative policies involve, as well as the necessary efforts to boost the committed participation of the various social actors and public institutions involved in the territory development.
- It is important to find practical solutions that can overcome all the transaction costs involved in small-scale financing of these projects. Most forest investments in developing countries are small and so, it's difficult to find agents capable of serving as intermediaries to handle and disburse these resources.
- It is vital to promote the organization and participation of the owners and habitants of the forest areas, as they are the final receivers of the resources, and will be the ones to apply these innovative financing and management models.
- The recent presence of local development agencies (a new approach of local assistance promoted by CONAFOR) is setting the ground for new opportunities to coordinate and combine both efforts and resources, in favor of territorial sustainable management.

PERU