



Meeting of the SCF Trust Fund Committee

Washington D.C (Hybrid)

Friday, June 24, 2022

FIP OPERATIONAL AND RESULTS REPORT

SCF/TFC.16/3.1

May 27, 2022

PROPOSED DECISION

The SCF Trust Fund Committee reviewed the document, SCF/TFC.16/3.1, *FIP Operational and Results Report*, and welcomes the progress that has been made in advancing the work of FIP in the pilot countries.

The SCF Trust Fund Committee welcomes the analysis conducted by the CIF Administrative Unit, in collaboration with the MDBs, on achievements and results, resource availability, pipeline review, and portfolio updates.

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1 Introduction

1. The Forest Investment Program (FIP) was established in 2008 to provide scaled-up financing to help countries address the drivers of deforestation and forest degradation. It started out working in eight countries (Brazil, Burkina Faso, Democratic Republic of Congo (DRC), Ghana, Indonesia, Lao People’s Democratic Republic (Lao PDR), Mexico, and Peru). In 2015, FIP added six new countries with funding envelopes (Côte d’Ivoire, Ecuador, Guatemala, Mozambique, Nepal, and Republic of Congo), and nine without (Bangladesh, Cambodia, Cameroon, Guyana, Honduras, Rwanda, Tunisia, Uganda, and Zambia).
2. The FIP Operations and Results Report, identifies key strategic issues, highlights decisions taken intersessionally by the FIP Technical Committee, and provides an update on the status of FIP-funded programs and projects under the endorsed investment plans and related activities. This report also includes projections on future approvals and provides an update on the results achieved by the FIP pilot countries.
3. This report provides an update of the entire FIP portfolio through December 31, 2021 (with additional updates to March 31, 2022, on resource availability) as well as the disbursements for projects under implementation as of December 2021. Results reporting of projects under implementation covers the period from January 1 to December 31, 2021.

2 Strategic Issues

2.1 Resource Availability

4. As of March 31, 2022, the FIP trust fund has reached a total of USD 752.6 million¹ in cumulative funding. This amount slightly varies from month to month due to currency exchange fluctuations²
5. As of March 2022, the FIP trust fund has a total potential available resource of USD 15.5 million, comprising USD 8.2 million in capital and USD 7.4 million in grant funding. This follows the United Kingdom’s encashment of GBP 83 million (eq. USD 104 million) in outstanding promissory notes (PN) in October 2021, which ensured that the entire USD 64 million FIP sealed pipeline could be programmed. It also enabled the preparation of six concept notes by FIP countries and multilateral development banks (MDBs) and their endorsement by the FIP Technical Committee on December 1st, 2022. In addition, the encashment of this PN allowed CIF to eliminate FIP’s exposure to currency risk given the volatility of the GBP during the period.
6. Table 1 summarizes available resources under FIP, and Annex 1 provides more detailed information.

¹ Including contributions, pledges, and investment income earned.

² A total of USD 7.4 million has been reserved by the Trustee to account for currency exchange fluctuations.

**Table 1: FIP resource availability schedule summary
(March 31, 2022, USD million)**

	Total	Capital	Grant
Unrestricted Fund Balance After Reserves (i)	79.4	64.8	14,7
Anticipated Commitments (ii) Program/project funding and MPIS costs	71.7	64.0	7.7
Available Resources (i - ii)	7.8	0.8	7.0
Potential Future Resources (iii)	7.7	7.4	0.3
<i>Pledges</i>	0.3	-	0.3
<i>Release of currency risk reserves</i>	7.4	7.4	-
Potential Available Resources (i-ii+iii)	15.5	8.2	7.4

2.2 FIP Pipeline Management Update

7. As of December 2021, FIP has a total of 57 projects in its portfolio, including 15 projects under the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM). Of the total 57 projects, 50 have been approved by the FIP Technical Committee and 46 by the MDBs boards.
8. During this reporting period, some FIP projects have experienced delays due to COVID-19. Commonly reported delays include interruptions in activities and stakeholder engagement. Annex 2 provides more information on FIP projects affected by COVID-19 and the response measures that MDBs adopted to address implementation delays and difficulties.

2.3 Monitoring and Reporting

9. **Challenges with country engagement on results reporting:** Due to the ongoing COVID-19 pandemic and the challenges many countries have faced in organizing in-person or virtual multi-stakeholder monitoring and reporting (M&R) workshops (which are the foundation of FIP M&R country reporting), it was again deemed optional for countries to report results in this reporting period. While all FIP country focal points were directly contacted by the CIF Administrative Unit and were strongly encouraged to resume reporting in a full or adapted manner, if feasible, only five countries submitted a full report and two countries a partial report at project level (See Annex 4).
10. Beyond the pandemic, FIP countries and projects are facing numerous challenges in sustainably establishing or maintaining a country-level FIP M&R mechanism. In some FIP countries, projects have closed and the project teams have dissolved, making it challenging to organize a program-level M&R workshop. In other cases, FIP countries only have one MDB-approved project in their portfolio or have only recently reached MDB project approval phase and have not yet established a country-level FIP M&R mechanism. Several FIP countries also reported that the national focal point teams or MDB project teams have changed during the pandemic when the FIP country M&R mechanism was not active, with new teams either unaware or unable to implement their country-level FIP M&R responsibilities.

11. At the MDB level, as FIP portfolios mature, it is also not uncommon for some projects to undergo restructuring. Restructuring typically leads to the addition and deletion of select indicators in a project's results framework and notable changes to indicator targets. For the purposes of M&R, CIF reviews project restructuring on a case-by-case basis to recalibrate alignment with the FIP M&R system and update targets within the commonly reported FIP indicators (see Section 5) if needed. However, project restructuring can still limit data availability and reporting continuity over time (effects that are exacerbated by limited country-level reporting).
12. In light of these challenges, enhancing FIP M&R country engagement, support, and capacity-building is a strategic priority for CIF that will continue in fiscal year 2023 (FY23)³. The CIF Administrative Unit is working to support FIP countries along several fronts:
 - a. **Online M&R training sessions:** The FIP M&R online training module is available for country focal point teams, MDBs, and other interested parties. The online training can be undertaken through two options (self-paced or instructor-led) and three languages: English, French, and Spanish. It is currently being updated to incorporate guidance on the country results reporting portals on the CIF Collaboration Hub (CCH). New links to the online training opportunities to request instructor-led training will be shared with FIP countries, MDBs, and other FIP stakeholders once they are available.
 - b. **Targeted capacity building opportunities:** The CIF Administrative Unit also offers targeted FIP M&R capacity-building opportunities for recipient countries and local stakeholders based on country demand. As the COVID-19 situation permits, these opportunities entail in-person workshops and training on FIP M&R issues. They are especially useful for countries with new country focal points or project teams. Increasingly, CIF will also support countries with mature or completed FIP investment plans. MDBs active in the targeted FIP countries are encouraged to participate in the trainings as well.
 - c. **CIF Collaboration Hub (CCH):** Efforts are currently underway to incorporate FIP country-led M&R directly into the CCH. The CIF Administrative Unit is coordinating with the CCH development team to build out a new results portal, which recipient countries will be expected to use to report annual results to CIF starting in FY23. Training opportunities will be provided to FIP country focal points and their M&R colleagues prior to next year's reporting period to ensure that countries become familiar and comfortable with the CCH platform.
 - d. **Guidance on completed investment plans and piloting an M&R close out exercise:** As an increasing number of FIP countries are reaching a stage where most or all projects in their investment plan are completed, they need guidance in transitioning or closing out their annual, country-led M&R mechanism. In FY23, the CIF Administrative Unit plans to support a limited number of countries with closed or highly mature

³ CIF's fiscal year is from July 1 to June 30.

investment plans to pilot an M&R approach for these late-stage investment plans. Mexico has nominally agreed to participate as the first of FIP countries. The exercise will enable countries to complete their annual results reporting to the CIF Administrative Unit and for CIF to take stock of final investment plan results at the country level, including other potential areas of thematic interest, such as gender outcomes, transformational change processes, and just transition issues. Based on the experience of these pilot M&R close-out exercises and additional inputs from CIF’s main stakeholder groups, further guidance will be developed in FY23 to inform all FIP countries of when and how to close out their annual results reporting requirements.

3 Status of FIP

3.1 Portfolio Overview

13. As of December 31, 2021, USD 677.88 million has been endorsed by the FIP Technical Committee as indicative allocations to the participating countries, totaling 57 projects included in investment plans, the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM), and the Private Sector Set Aside (PSSA). Table 2 provides a summary of the portfolio status. The portfolio under implementation consists of 46 projects, reaching USD 561.41 in MDB-approved funding and USD 355 million in cumulative disbursements.

**Table 2: Overview of FIP portfolio
(USD million, as of December 31, 2021)**

	Indicative pipeline allocation					Approved funding		Disbursement
	Total	IP	DGM	PSSA	RFF	Committee	MDB	MDB
FIP funding	667.88	519.90	71.18	17.3	69.5	597.78	561.41	355
Number of projects	57	34	15	3	5	50	46	44

Note: PSSA: Private Sector Set Asides, DGM: Dedicated Grant Mechanism, RFF: Remaining Funds balance for FIP

14. Compared to the previous reporting year, the total portfolio has increased by USD 64 million, which corresponds to the endorsement of six new projects by the FIP Technical Committee. Box 1 highlights how FIP is supporting local women in cote d’Ivoire rehabilitate their remaining forests.
15. Figure 1 shows cumulative funding approvals continuing to increase. Approval of the entire endorsed FIP portfolio by both the FIP Technical Committee and the respective MDB boards is expected by FY2023.

Box 1: How FIP supports local Ivorian women to rehabilitate their remaining forests



Project: Cote d'Ivoire – Forest Investment Project

Implementation Agency: IBRD

FIP Funding: USD 9.44 M

Objective: The project will help conserve and increase the forest stock, and improve access to sources of income from sustainable forest management for selected communities in target zones

The rapid disappearance of forests in Cote d'Ivoire is one of the most striking passages of tropical deforestation in the Africa region. Over the past century, Ivorian forests have declined from about 16 million hectares to less than three million hectares. Furthermore, over the last 60 years, 90% of the Ivorian forest surface has disappeared, making Cote d'Ivoire on the countries in Africa with the highest annual deforestation rate.

The link between poverty, sustainable forest management, and gender is a critical issue in Cote d'Ivoire. Women make important contributions to forest value chains and are heavily involved in forest-related activities, such as reforestation efforts. Collecting of fuelwood, medicinal plants, and other non-timber forest products is crucial for women's livelihoods and the food security of their families.

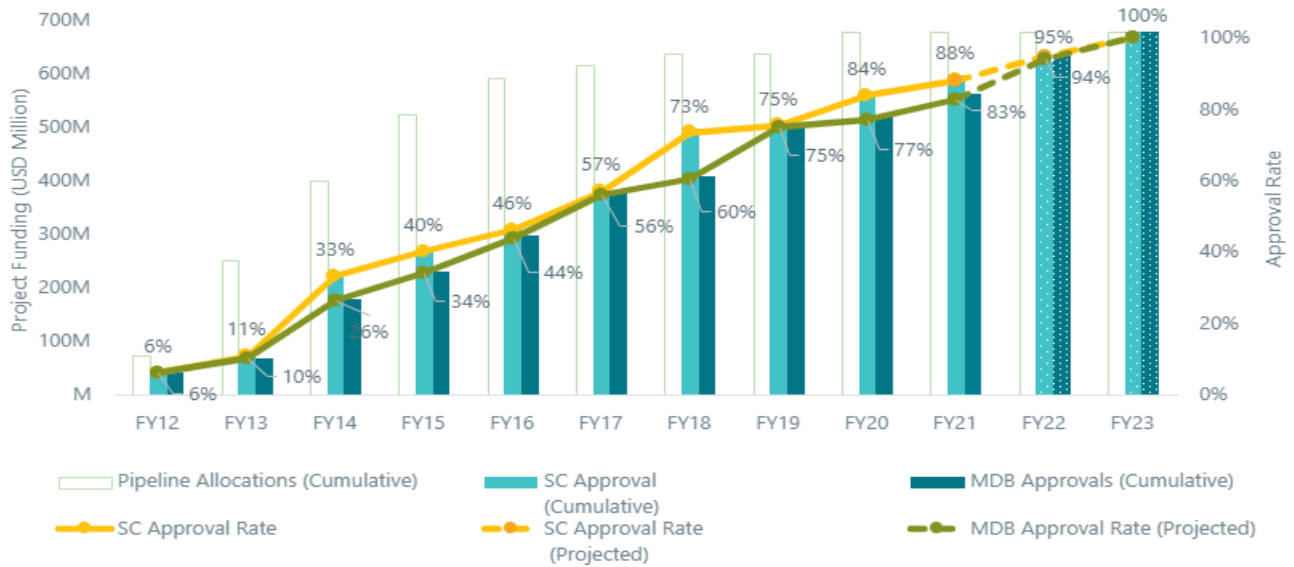
Unfortunately, rural women are frequently disadvantaged in their access and control of forest resources, including economic opportunities resulting from sustainable forest management. Additionally, women's views and inputs are often discounted in decision-making processes, and their role in forest-related value chains tends to be poorly supported by extension services.

However, gender norms are showing some signs of shifting in Cote d'Ivoire. Thanks to the financial assistance from the Climate Investment Fund (CIF) through the Forest Investment Program, the Ivorian Government, with the support of the World Bank, is implementing reforestation and conservation activities to increase Côte d'Ivoire's forest stock and enhance the livelihoods of forest-dependent communities, with a specific window to involve women in sustainable forest management.

An Ivorian women-led association called "Malébi" has been active since 2008 to combat poverty of women and young people in rural areas, and to encourage rehabilitation of forests and their sustainable management in Cote d'Ivoire. The Forest Investment Project has worked with the National Government to partner with Malébi for the restoration of a highly degraded gazetted forest (locally referred to as Ahua) in the center region of the country through agroforestry approaches. Malébi is composed of hundreds of women who lead the reforestation activities by planting native tree species (such as samba and acacia), suitable for fuelwood production as an alternative to natural forests use for cooking. These women also implement the "taungya-based" agroforestry system consisting of planning agricultural food crops (such as cassava, maize, yam, banana, peanuts and so on) among forest trees, while the latter mature and take over the land. All these activities contribute to improving women's livelihoods through the sales of charcoal produced sustainably and sales of agricultural products from the taungya method. By doing so the project promotes long term land use security in government-owned land and food and income for the rural women in the project targeted zones.

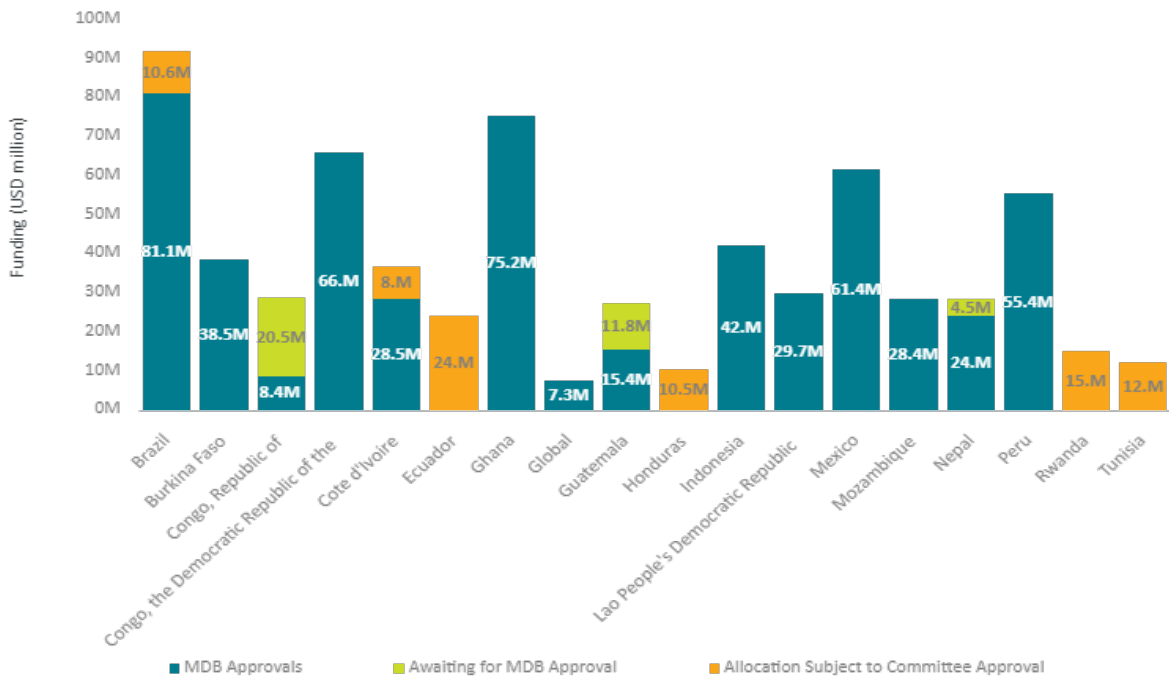
Source: IBRD's FIP Team

Figure 1: Cumulative FIP funding approval rates by fiscal year (projections until FY23)



16. Figure 2 shows the approval levels of FIP pipeline projects by pilot country and the DGM Global Project. Nine of the 16 pilot countries with a project pipeline have achieved 100 percent FIP Technical Committee and MDB board approval of their indicative funding allocation.

Figure 2: FIP funding approval of project pipeline by country (as of December 31, 2021)



17. Figure 3 presents the distribution of FIP Technical Committee-approved projects by region, MDB, theme, and public or private sector. Africa represents the largest portion of the FIP portfolio (with a total of USD 265.1 million), followed closely by Latin America (USD 225.2 million), then Asia (USD 100.2 million). The World Bank implements USD 414.6 million of the FIP Technical Committee-approved portfolio. FIP Technical Committee-approved private sector projects total only USD 26.8 million.
18. The thematic focus of the portfolio of FIP Technical Committee-approved projects reflects FIP's objective of working to address the drivers of deforestation and forest degradation. Thus, the largest portion of funding focuses on landscape approaches (including agriculture and agroforestry), followed by sustainable forest management and capacity building.
19. Figure 4 shows that the co-financing ratio of FIP Technical Committee-approved projects is 1:1.7, totaling USD 1,017.7 million. MDBs and beneficiary governments are the main sources of co-financing. Box 2 highlights how blended investment from the private sector can benefit the Ghana's forest sector and local communities under a public-private partnership (PPP) arrangement.

**Figure 3: FIP portfolio overview
(approved by FIP Technical Committee, as of December 31, 2021)**

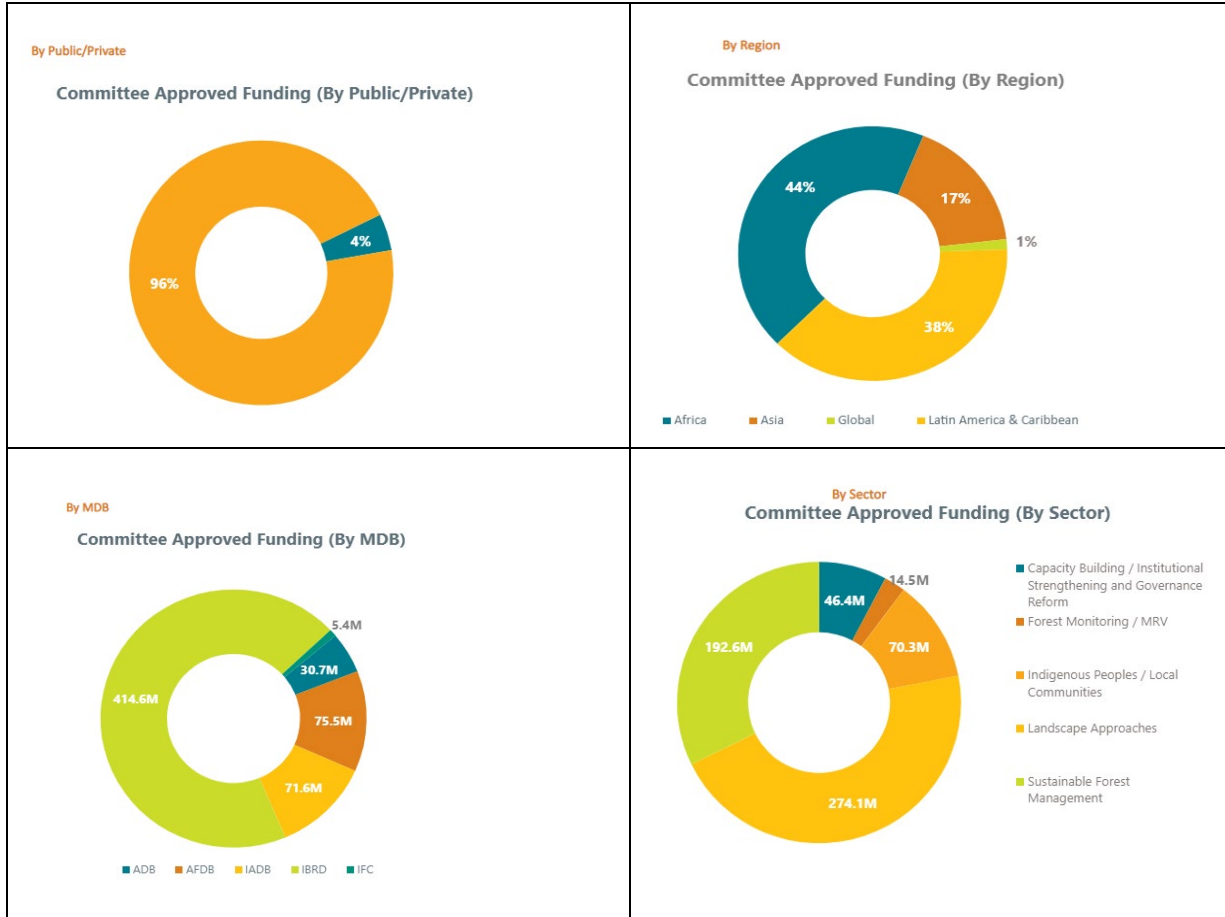
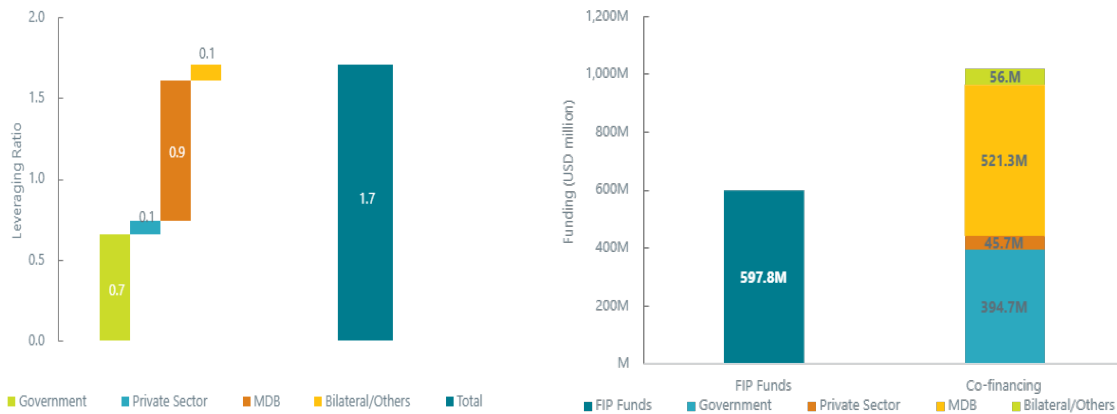


Figure 4: Co-financing total for FIP Technical Committee-approved projects (USD million, as of December 31, 2021)



Box 2: Ghana pioneering PPP in the forestry sector



Project: Public-Private Partnership for restoration of degraded forest reserve through VCS and FSC certified plantations

Implementation Agency: AfDB

FIP Funding: USD 10 M

Objective: The project aims at catalyzing private sector involvement in large-scale sustainable and commercial teak plantations in degraded forest reserves in Ghana by expanding an existing and both Forest Stewardship Council (FSC) and Verified Carbon Standard certified (VCS)

The state of Ghana’s forests has been in decline since the 1970s with many forest reserves heavily encroached, which has led to serious depletion and degradation of reserve stocks. This project is restoring degraded forest reserves and more than doubling the size of sustainable forest plantations through a first-of-its-kind public-private partnership (PPP) in Ghana’s forest sector.

The African Development Bank, FIP, and the Government of Ghana engaged Form Ghana Ltd., a forest plantation company contributing to large-scale reforestation of degraded forest areas across Ghana, to undertake this innovative PPP project in 2016. The PPP aims to catalyze private sector involvement in large-scale, sustainable, commercial teak plantations in a section of Ghana’s degraded forest reserves by expanding an existing forest plantation—both Forest Stewardship Council (FSC) and Verified Carbon Standard (VCS) certified—from 5,000 ha to 11,700 ha of sustainable teak plantation (90 percent) and indigenous tree species (10 percent). By restoring degraded land, this project is making significant contributions to long-term carbon storage (2.8 million tons CO₂ eq. over 40 years) and improvements to climate resilience, not only among local communities. but also in the areas surrounding the recovered forests.

Box 2 (Cont'd)

The wood products produced as a result of the project will benefit from a quality and sustainability stamp that will contribute to meeting increasing local, regional and global market demand. By striving for sustainable forest management practices, the project will promote inclusion of biodiversity conservation and ecosystem services at scale in a socially and environmentally friendly manner. Certification from FSC, an independent, non-profit organization that protects forests for future generations, further requires companies to promote gender equality in employment practices, training opportunities, awarding of contracts, processes of engagement, and management activities. Concessional resources from FIP were instrumental in consolidating a business case for sustainable forest management that is able to lead to substantial carbon sequestration and enhanced environmental services in a market that still requires incentives to make innovative projects viable and accelerate market.

In 2021, a total area of 138.59 ha was planted, with teak reaching a total of 7,048 ha since beginning of the project. Another 9.55 ha were planted with indigenous species in 2021, for a total of almost 2,000 hectares. In the forests managed by Form Ghana, illegal farming was widespread in the past. The company currently offers about 700 farmers the option to participate in intercropping.

Source: AfDB's FIP Team

3.2 Portfolio Updates

3.2.1 Project Approvals

20. As shown in Table 3, during the reporting period, three projects were approved by the FIP Technical Committee for a total of USD 25 million, and two projects were approved by MDB boards totaling USD 12.5 million.

**Table 3: FIP project approvals by FIP Technical Committee and MDB boards
(January to December 2021)**

Projects/Program Technical Committee Approved							
Country	Project title	MDB	Financial product	Amount (USD/EUR)	Grant	Non-Grant	Approval date
Nepal	Dedicated Grant Mechanism for Indigenous Peoples and Local Communities	IBRD	Grant	USD	4,500,000.00	0.00	5/24/2021
Republic of Congo	Northern Congo Agroforestry Project	IBRD	Grant, Loan	USD	4,000,000.00	12,000,000.00	1/14/2021
Republic of Congo	DGM: Support to Indigenous Peoples and Local Communities for Sustainable Resources Management	IBRD	Grant	USD	4,500,000.00	0.00	1/14/2021
Total					13,000,000.00	12,000,000.00	

Projects/Program MDB Approved							
Country	Project title	MDB	Financial product	Amount (USD/EUR)	Grant	Non-Grant	Approval date
Guatemala	DGM for Indigenous Peoples and Local Communities (IPLC)	IBRD	Grant	USD	4,500,000.00	0.00	5/7/2021
Republic of Congo	Community Agroforestry and Wood Energy Project (PACBE)	AFDB	Grant, Loan	USD	2,000,000.00	6,000,000.00	3/24/2021
Total					6,500,000.00	6,000,000.00	

21. The Northern Congo Agroforestry Project implemented by the World Bank is the latest FIP project approved by the FIP Technical Committee as of December 2021.
22. For the first time since its inception, DGM countries closed out projects, while others received FIP Technical Committee and World Bank approval, and the majority experienced peak implementation.
23. Since the last reporting period, DGM Peru, DGM Ghana, and DGM Burkina Faso closed out their projects. At the same time, DGM Guatemala, DGM Nepal, and DGM Republic of Congo were establishing their governance structures, programmatic documents, selection of National Executing Agencies (NEAs) and project kick-off.

3.2.2 Projects Submitted for Extension or Cancelled/Closed

24. As shown in Table 4, during the reporting period, two projects expecting to be approved in 2021 requested extension of their MDB board approval for a total of USD 11.8 million. As of December 31, 2021, four projects for a total of USD 4.5 million have been cancelled or closed.

**Table 4: FIP projects submitted for extension or cancelled
(January 2021–December 2021)**

Projects/Program submitted for Extension								
Country	Project title	MDB	Financial product	Amount (USD/EUR)	Grant	Non-Grant	Approval date	Additional comments
Guatemala	Forest Governance and Livelihoods Diversification in Guatemala	IBRD	Grant, Loan	USD	0.00	11,800,000.00	11/15/2021	Request for extension of MDB Board Approval Date
Nepal	Nepal: Dedicated Grant Mechanism for Indigenous Peoples and Local Communities	IBRD	Grant	USD	0.00	4,500,000.00	2/11/2021	Request for extension of SC Committee Approval
Total					-	11,800,000.00		

Projects/Program Cancelled/Closed								
Country	Project title	MDB	Financial product	Amount (USD/EUR)	Grant	Non-Grant	Approval date	
Brazil	Sustainable production in areas previously converted to agricultural use project (under the low carbon emission agriculture plan)	IBRD	MPIS	USD	45,715.00	0	9/22/2021	
Mexico	Financing Low Carbon Strategies in Forest Landscapes	IADB	Grant	USD	2,508,010.19	0	8/2/2021	
Brazil	Forest Information to Support Public and Private Sectors in Management Initiatives	IADB	Grant	USD	1,638,463.18	0	11/11/2021	
Guatemala	Sustainable Forest Management - Guatemala	IADB	Grant	USD	296,356.09	0	8/3/2021	
Total					4,488,544.46	-		

3.2.3 Project Pipeline Tracking and Projected Submissions

25. Six new pipeline projects totaling USD 64 million were endorsed by the FIP Technical Committee on December 1, 2021. The CIF Pipeline Management Policy timelines will be applied for approval of this new portfolio with the expectation that these projects will be submitted to the FIP Technical Committee for approval in the next 24 months (i.e., by October 2023).
26. Table 5 presents the complete list of projects in the FIP pipeline currently under preparation.

**Table 5: FIP pipeline projects
(USD million, as of December 31, 2021)**

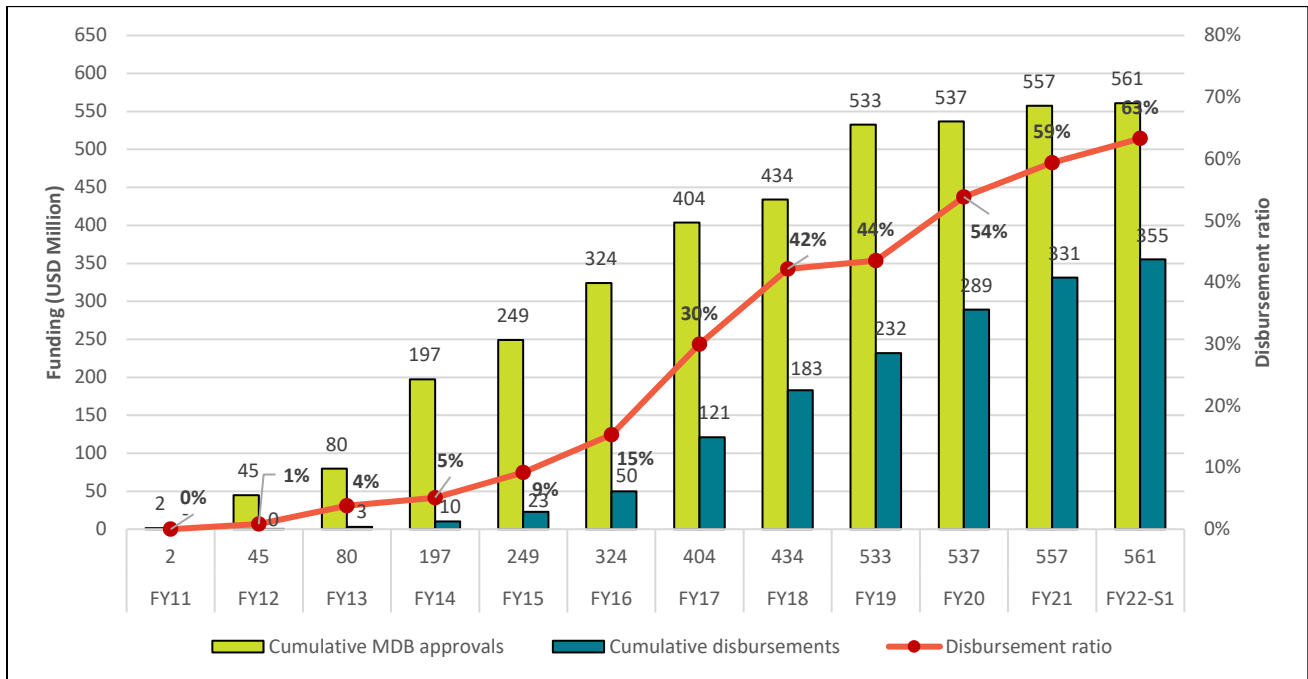
Proposed project	Country	MDB	Loan (USD million)	Grant (USD million)	MPIS (USD million)	Total FIP funds (USD million)
FIP-Brazil Dedicated Grant Mechanism for Indigenous Peoples Phase Two—additional financing	Brazil	IBRD		0.9	0.1	1
Forest Investment Project (FIP) phase 2 in Cote d’Ivoire	Cote d’Ivoire	IBRD	8			8
Conservation and sustainable use of protected areas in Ecuador	Ecuador	IDB	21	3	0.48	24.48
Improving the climate resilience of agroforestry supply chains in Honduras.	Honduras	IDB	10	0.5	0.43	10.93
Rwanda Forest Investment Project	Rwanda	AfDB	15	0	0.3	15.3
Tunisia FIP Investment Plan	Tunisia	AfDB	10	2	0.3	12.3
Total			64	6.4	1.61	72.01

3.2.4 Disbursements and Implementation Updates

27. Cumulative project disbursements by MDBs total USD 355 million, corresponding to 44 projects under implementation, as of December 31, 2021.⁴ The current rate of portfolio disbursement is 63 percent of funding for MDB-approved projects (see Figure 5).
28. Detailed disbursement analysis is included in the CIF Disbursement Report.

⁴ This amount includes disbursements of Project Preparation Grants (PPGs)

Figure 5: Cumulative FIP project disbursements by reporting period and fiscal year



29. Table 6 shows cumulative disbursements for FIP countries with projects under implementation as of December 2021. Of the initial eight FIP countries (highlighted grey), Mexico is the country with the highest percentage of disbursement (95 percent). All four of its projects have already completed activities on the ground. It is followed by Lao PDR and Burkina Faso with 90 percent of funds disbursed, with projects also in the last stages of implementation.
30. Regarding the second group of countries accepted to FIP, Mozambique was the first one to gain approval of the three projects in its FIP portfolio. It has already achieved 80 percent disbursement. The two projects from Nepal and Guatemala’s investment plan were the last to start implementation on the ground, so they have the lowest level of disbursement at 2 percent and 0 percent disbursement, respectively.

**Table 6: Disbursement levels by country
(in USD million)**

Country	Sum of funding amount (USD Equiv)	Cumulative disb. as of December 31, 2021	Disbursement ratio
Brazil	81.1	46.7	58%
Burkina Faso	38.5	34.6	90%
Cote d'Ivoire	28.5	9.1	32%
Democratic Republic of Congo	66.0	56.2	85%
Ghana	75.2	52.9	70%
Global	7.3	5.9	80%
Guatemala	15.4	0.3	2%
Indonesia	42.0	27.6	66%
Lao People's Democratic Republic	29.7	26.9	90%
Mexico	61.4	58.3	95%
Mozambique	28.4	22.6	80%
Nepal	24.0	0.0	0%
Peru	55.4	13.6	25%
Republic of Congo	8.4	0.4	4%

3.2.5 Project Completion

31. From January 1, 2021 to December 31, 2021, four additional FIP projects reached completion, bringing the total number of completed projects to six. These are:
 - Financing Low Carbon Strategies in Forest Landscapes in Mexico (IDB Group)
 - Forest Information to Support Public and Private Sectors in Management Initiatives in Brazil (IDB Group)
 - Decentralized Forest and Woodland Management in Burkina Faso (World Bank)
 - Engaging Local Communities in REDD+/Enhancement of Carbon Stocks in Ghana (AfDB)
32. Key lessons from completed projects are included in Section 5.6 of the report.

4 Cross-Cutting Themes

4.1 Partnership, Knowledge Management, Evaluation, and Learning

33. Due to COVID-19, all FIP knowledge-sharing activities continued to be organized virtually. Since July 2021, three FIP (or forestry-related) events were organized through the [Transformational Change Learning Partnership \(TCLP\)](#). This included two events hosted by the TCLP's Resilience and Landscapes Interest Group, which explored the signals of transformational change in these areas and discussed lessons learned from a recently published Just Transitions Initiative case study on sustainable land use in Ghana. In addition, during a TCLP webinar in September 2021, a dedicated breakout session focused on identifying guiding questions for supporting advanced transformational change in terms of resilience and landscapes.
34. During this reporting period, two FIP-related studies supported by the CIF Evaluation and Learning (E&L) Initiative were published. These were:
- *Supporting Just Transitions to Sustainable Land Use in Ghana*: As part of the CIF's [Just Transitions Initiative \(JTI\)](#), a new case study draws on examples from projects financed by CIF in Ghana to examine country efforts to tackle deforestation by changing agriculture, mining, and forestry practices. The study explores what it means to have just transitions in these sectors and outlines how just transition to sustainable land use needs to be driven by socially inclusive processes to mitigate the potential negative effects of change on people that currently depend on today's natural resource economies. It offers valuable lessons that are applicable in other similar contexts. In addition, it highlights the need to maximize opportunities to tap into new green economic opportunities, as well as address the environmental legacies of mining, agriculture, overexploitation of timber and other forest resources, and deforestation itself. See the [full report](#), [summary](#), and [web story](#).
 - *Mexico: The Contribution of the Forest Investment Program to Forest and Climate Goals*: As part of the CIF's TCLP, a new case study shares Mexico's story of transformational change toward a low-carbon, climate-resilient rural economy, focusing on evidence from FIP. It describes CIF's strategy for supporting Mexico's forests and climate agenda, and the progress Mexico has made toward transformational change in the forestry and rural development sector. Pilot projects relating to community forest management and forest finance, as well as FIP's financial intermediation model, have generated demonstration effects and could provide the potential for future scaling. The study found that the FIP approach, encompassing a country-led design, a highly participatory investment planning process, and adaptability in response to changing circumstances, has been particularly relevant to contributing to transformational change. See the [full report](#), [summary brief](#), and [web story](#).
35. In June 2022, the E&L Initiative completed a synthesis of key lessons from E&L evaluations, which systematically reviewed all current and past E&L studies and provides insights that could be applied to new CIF programs being developed. This synthesis highlights various

strengths of the FIP portfolio, including FIP’s strong gender orientation reflecting traditions of community consultation in the forest sector, linkages with Indigenous Peoples and local knowledge via the DGM, as well as its deep and broad stakeholder consultation process.

36. The independent mixed-methods evaluation “Social and Economic Development Impacts of Climate Finance,” commissioned by the E&L Initiative, is expected to be completed soon. The evaluation is aimed at better understanding and reporting on social and economic development impacts linked to CIF programs and will identify the primary development impacts or co-benefits of CIF programs across four broad categories: social, economic, environmental, and market, in addition to gender impacts and impacts on vulnerable populations. This evaluation includes a deep-dive case study on FIP projects related to agro-forestry and rural land management in Brazil and two light-touch case studies on FIP projects related to palm oil in silviculture systems in Brazil and forest management in Indonesia. Early findings from this evaluation will be presented at the Trust Fund Committee meeting in June 2022.
37. The [Climate Delivery Initiative \(CDI\)](#) is the next generation of CIF’s Delivery Challenge Case Study Series and related Climate Delivery Labs. The CDI provides a dedicated space and research base to inventory and analyze operational barriers and solutions of climate finance programming for enhanced project design. As part of this work, five new case studies have been initiated in FY22, with one related to FIP. The study explores delivery challenges in the Engaging Local Communities in REDD+/Enhancement of Carbon Stocks Project (AfDB) in Ghana and is expected to be completed in FY23.

4.2 Gender

4.2.1 FIP Portfolio Performance on Gender

38. The CIF Administrative Unit continues to use the gender scorecard as the tool for monitoring the quality of gender integration at entry (i.e., design stage) across the portfolio of CIF-financed projects. The scorecard reviews gender-specific analysis, women-targeted activities, and gender-disaggregated indicators. Since the start date of the CIF Gender Action Plan (GAP) Phase 3, the bar has been raised for gender integration, with an expectation for all projects to include all three indicators and demonstrate a clear results chain between them. These expectations are outlined in the [Gender Integration Guidance Note](#), which was developed based on lessons learned from the upstream advice provided on gender integration, as well as the review of MDB’s own gender integration requirements. This section provides an analysis of trends in the quality of gender integration over time, comparing the baseline at the time of CIF’s GAP approval (July 1, 2014) with trends during GAP Phases 1 and 2 (July 2014 – June 2020) and GAP Phase 3 (July 2020–December 2021).
39. In this reporting, the FIP investment plan portfolio performance is not included as no new FIP investment plans have been approved by the FIP Technical Committee since December 2017.⁵ Table 7 provides an overview of the FIP project portfolio performance and shows an

⁵ To see FIP investment plan portfolio performance on gender scorecards please refer to [FIP Operational and Results Report 2020](#).

increase in the quality of the FIP project portfolio from the June 2014 baseline in all the three scorecard indicator areas (i.e., presence of sector-specific gender analysis, women-targeted activities, and sex-disaggregated monitoring indicators). The table also shows an increase in projects that scored positively across all the three scorecard indicator areas. Projects approved after the start date of GAP Phase 3 score higher across all the three scorecard indicator areas and reflect an increase in the number of projects with three positive scorecard indicators compared to projects approved during GAP Phases 1 and 2.

Table 7: FIP project gender scorecard performance

Indicators	Projects approved before July 1, 2014 % (n) <i>(Gender Action Plan (GAP) Baseline)</i>	Only projects approved in July 2014 – June 2020 (% and n) <i>GAP phases 1 & 2</i>	Projects approved in July 2020 – December 2021	Cumulative: All project approved from inception until December 2021 % (n)
Sector-specific gender analysis	53% (8 of 15 projects)	77% (24 of 31 projects)	100% (4 of 4 projects)	72% (36 of 50 projects)
Women-targeted activities	73% (11 of 15 projects)	84% (26 of 31 projects)	100% (4 of 4 projects)	82% (41 of 50 projects)
Sex-disaggregated M&E indicators	73% (11 of 15 projects)	84% (26 of 31 projects)	100% (4 of 4 projects)	82% (41 of 50 projects)
All 3 scorecard indicators positive	40% (6 of 15 projects)	74% (23 of 31 projects)	100% (4 of 4 projects)	66% (33 of 50 projects)

4.2.2 Knowledge Management and Learning

40. In partnership with CIF, the World Bank also published the Forest Carbon Partnership Fund (FCPF)-funded study, [Fostering Gender-Transformative Change in Sustainable Forest Management: The Case of the Dedicated Grant Mechanism \(DGM\)](#)⁶. This is the first comprehensive study that analyzes the nexus of gender equality, Indigenous Peoples and local communities, and locally led climate action by looking at the range of DGM projects. It includes a full report analyzing results from 12 DGM country projects and four deep-dive case studies on [Ghana](#), [Indonesia](#), [Peru](#), and the National Steering Committees (NSC), which are national governing bodies of DGM projects. The study showcases how these priority

⁶ Canpolat, Ezgi; Shakirova, Meerim; McElhinny, Vince; Westerman, Kame; Cruz, Alli; Buppert, Theresa. 2022. Fostering Gender-Transformative Change in Sustainable Forest Management: The Case of the Dedicated Grant Mechanism (DGM). Washington, DC: World Bank. Available at: <http://hdl.handle.net/10986/37127>

areas can come together and bring about transformative change towards low-carbon, climate-resilient development that fosters gender equality. It looks at several innovative and iterative strategies (e.g., gender quotas, tailored outreach mechanisms) to support women's climate leadership and participation in decision-making and equal benefit-sharing from sustainable forest management at the national and community levels. The study found that DGM's success in enhancing women's voice and agency through its governance mechanisms also started to shift community-level gender norms.

41. In partnership with CIF and the World Bank, the [Fostering Gender-Transformative Change in Sustainable Forest Management: The Case of the Dedicated Grant Mechanism \(DGM\)](#) study was presented at the World Bank's Social Sustainability and Inclusion Global Practice Coffee Series in April 2022, with the participation of 60 World Bank staff across different departments. The event was also featured as part of the World Bank Group's yearlong [Gender Equality and Development +10: Accelerate Equality](#) initiative, which explores the important progress made and lessons learned in reducing gender gaps and increasing women's economic empowerment over the last 10 years, and takes stock of remaining challenges, while strengthening partnerships with a diverse group of stakeholders in the quest to #AccelerateEquality.⁷ [A blog post about the study](#) was published on the World Bank website.
42. CIF participated in the Women's Forum Global Meeting 2021 organized by Women's Forum and presented on Climate Day in the session titled ["Nature's worth: the business of biodiversity #Women4ClimateAction."](#) The session focused on how agriculture and industry draw on women's leadership to protect biodiversity and deploy inclusive nature-based solutions. CIF shared work on advancing knowledge and learning on Indigenous and local women's traditional knowledge and practices⁸ and how CIF-funded climate adaptation and mitigation investments under FIP, particularly DGM projects, support women as leaders and decision-makers in sustainable natural resource management. Women's Forum extensively promoted the session through its social media⁹, which CIF also cross-promoted. Box 3 highlights gender aspects of the DGM project in the Republic of Congo that supports Indigenous Peoples and local communities in sustainable natural resources management.

⁷ <https://www.worldbank.org/en/topic/gender/brief/gender-equality-at-a-crossroads#2>

⁸ https://www.climateinvestmentfunds.org/sites/cif_enc/files/knowledge-documents/indigenous_women-tkt_report.pdf

⁹ See tweets by the Women's Forum here:

https://twitter.com/Womens_Forum/status/1460281591918383106?s=20&t=9JdghDiJ8jSYvIGeALgZjw

https://twitter.com/Womens_Forum/status/1460286228608299016

https://twitter.com/Womens_Forum/status/1460279463846023180?s=20&t=9JdghDiJ8jSYvIGeALgZjw

Box 3: Promoting women’s participation and engagement in sustainable resource management in the Republic of Congo



Project: DGM Republic of Congo

Implementing Agency: IBRD

DGM Funding: US\$ 4.5 million

Objective Provide targeted assistance to Indigenous Peoples and local communities dependent on natural resources mostly in the savannah areas, and support Indigenous-owned projects, with goal of increasing incomes, improving access and ownership of assets, and building Indigenous leadership capacities.

In the Republic of Congo, significant gender gaps remain in educational outcomes and access to training with large regional disparities. As a result, women experience higher rates of unemployment and informal labor and an increased likelihood of poverty. Female economic empowerment is also hampered by limited access to and ownership of land, access to finances, productive input, and disproportionate household and childcare responsibilities. These barriers are compounded by a lack of agency and voice at all levels of decision-making and gender-based violence. Women in the country, particularly from lower socio-economic status and indigenous communities, are more exposed to the consequences of climate-related disasters and have fewer resources to build resilience.

To address underlying gender inequalities, the Support to Indigenous Peoples and Local Communities for Sustainable Resources Management Project in the Republic of Congo will include a minimum target of 40 percent of micro-grants allocated to women and women’s groups and associations when providing financial support for activities related to the sustainable management and development of forest landscapes. The project will target women as the main beneficiaries of its activities to promote the sustainable production and use of fuelwood. It will also provide tailored assistance for the creation and development of female-led Community Economic Interest Groups in the honey sector. The project capacity-building activities include a gender component targeting women, such as gender-based violence awareness-raising trainings and information about land tenure rights for women.

Gender-specific results will be tracked in the results framework through the sex-disaggregation of key project indicators, such as: number of direct beneficiaries (with a target of reaching 50 percent female beneficiaries), the number of direct beneficiary households with improved livelihoods as a result of economic support, and percentage of land users adopting sustainable land management practices. The project will also adopt specific gender indicators to track how many women benefit from micro-projects, grants, and training.

Source: Gender Team

4.3 Risk Management

43. The FIP Risk Report provides an update on assessments of the more significant risk exposures facing FIP. This is a summary of the projects flagged for implementation risk, based on data from December 31, 2021, with certain projects using more updated information as indicated.

44. Implementation risk is the risk that a project, once effective, is not implemented in a timely manner. The CIF Administrative Unit flags a project for implementation risk if the project meets at least one of the following three criteria.
- The project has been effective for 36 months but has disbursed less than 20 percent of program funds.
 - The project is within 15 months of the anticipated date of final disbursement but has disbursed less than 50 percent of program funds.
 - The anticipated date of final disbursement for the project has been extended, and less than 50 percent of program funds have been disbursed.
45. Implementation risk for FIP remains **High** as five MDB board-approved projects representing USD 80 million of program funding have been flagged for this risk. The program’s implementation risk score has been **High** for the past four reporting cycles, and **Medium** for the four reporting cycles prior to that.
46. Table 8 illustrates two projects representing USD 61 million of program funding have been flagged under the first criterion (versus one representing USD 24 million flagged in the previous FIP Risk Report).

Table 8: Projects effective for 36 months with less than 20 percent of approved funds disbursed

Country	Program / Project Title	MDB	Funding Amount (USD millions)	Cumulative Disb. as of Dec 31, 2021 (USD millions)	Disbursement Ratio	Effectiveness Date	Months Since Effectiveness Date	Anticipated Date of Final Disbursement	MDB Co-Financing (USD millions)
Brazil	Environmental Regularization of Rural Lands in the Cerrado of Brazil	IBRD	24.5	3.8	15%	3/16/2016	71	12/31/2019	0
Peru	Forest Investment Program Peru	IDB Group	36.3	2.7	8%	9/19/2018	40	7/8/2024	0

47. Table 9 illustrates that one project representing USD 4 million of approved funding has been flagged under the second criterion (versus two projects representing USD 26 million flagged in the previous FIP Risk Report).
48. Table 10 illustrates that two projects representing USD 30 million of program funding have been flagged under the third criterion (versus two representing USD 30 million flagged in the previous FIP Risk Report).

Table 9: Projects within 15 months of closing with less than 50 percent of approved funds disbursed

Country	Program / Project Title	MDB	Funding Amount (USD millions)	Cumulative Disb. as of Dec 31, 2021 (USD millions)	Disbursement Ratio	Public / Private	Effectiveness Date	Initial Anticipated Date of Final Disbursement	Months Before Anticipated Date of Final Disbursement	MDB Co-Financing (USD millions)
Burkina Faso	Climate change mitigation and poverty reduction through the development of the cashew sector in Burkina Faso (Wouol project)	AFDB	4.0	1.7	43%	Private Sector	8/23/2017	12/28/2022	12	1.4

Table 10: Projects with extended anticipated dates of final disbursement and less than 50 percent of approved funds disbursed

Country	Program / Project Title	MDB	Funding Amount (USD Equv)	Cumulative Disb. as of December 31, 2021	Disbursement Ratio	Effectiveness Date	Months Since Effectiveness Date	Initial Anticipated Date of Final Disbursement	Extended Anticipated Date of Final Disbursement
Brazil	Environmental Regularization of Rural Lands in the Cerrado of Brazil	IBRD	24.5	3.8	15%	3/16/2016	71	12/31/2019	12/31/2022
Mexico	DGM for Indigenous Peoples and Local Communities	IBRD	6.0	2.9	48%	12/21/2017	49	8/1/2022	8/1/2023

5 Results

5.1 Introduction and Approach for RY2022

49. This section describes the results that were achieved in FIP during the period from January 1, 2021, to December 31, 2021 (reporting year 2022, RY2022) and cumulatively through December 31, 2021. It includes achieved results from 34 MDB-approved FIP projects that are either under implementation or closed.¹⁰ The results span 13 countries: Brazil, Burkina Faso, Côte d'Ivoire, DRC, Ghana, Guatemala, Indonesia, Lao PDR, Mexico, Mozambique, Nepal, Peru, and Republic of Congo (reporting for first time in RY2022). Annex 3 lists all FIP countries that have reported targets and/or results to the CIF Administrative Unit.
50. Due to the ongoing COVID-19 pandemic around the world and challenges surrounding the FIP M&R workshops and data validation with in-country stakeholder groups, FIP countries were not formally required to submit annual country results reports in RY2022. This FIP results report marks the third consecutive reporting year that FIP results for Category 1 reporting themes are based on project-level data from MDBs.¹¹
51. Although not formally required to submit annual results report in RY2022, all FIP countries were contacted and encouraged to submit a full or adapted report in line with their national circumstances. Among the 13 countries contacted, seven countries submitted a full or adapted report this year: Brazil, Burkina Faso, Côte d'Ivoire, DRC, Indonesia, Lao PDR, and Mozambique. Information from annual country results reported in RY2022 are used as the foundation of FIP Category 2 reporting themes and as supplementary information for Category 1 reporting themes (since not all countries were required to submit them). Annex 4 provides additional information on the status and constraints that FIP countries reported to CIF with respect to their M&R submission for RY2022.

5.2 Scope and Maturity of Reporting for RY2022

52. Out of 46 MDB-approved FIP projects, (31 under FIP investment plans, 12 under DGM, and 3 under FIP PSSA, totaling USD 561 million in FIP funding), 27 projects are reporting achieved results as of RY2022.¹² An additional seven projects have reported targets toward FIP's total expected results, although they have not yet reported non-zero progress toward these targets.¹³ Among all FIP projects, more than one-third of the portfolio (35 percent) is not MDB-approved or has been under implementation for two years or less, whereas 21 percent has been under implementation for three to five years. Six projects have been reported as

¹⁰ Projects identified as "closed" reflect their current status as reported in the CCH.

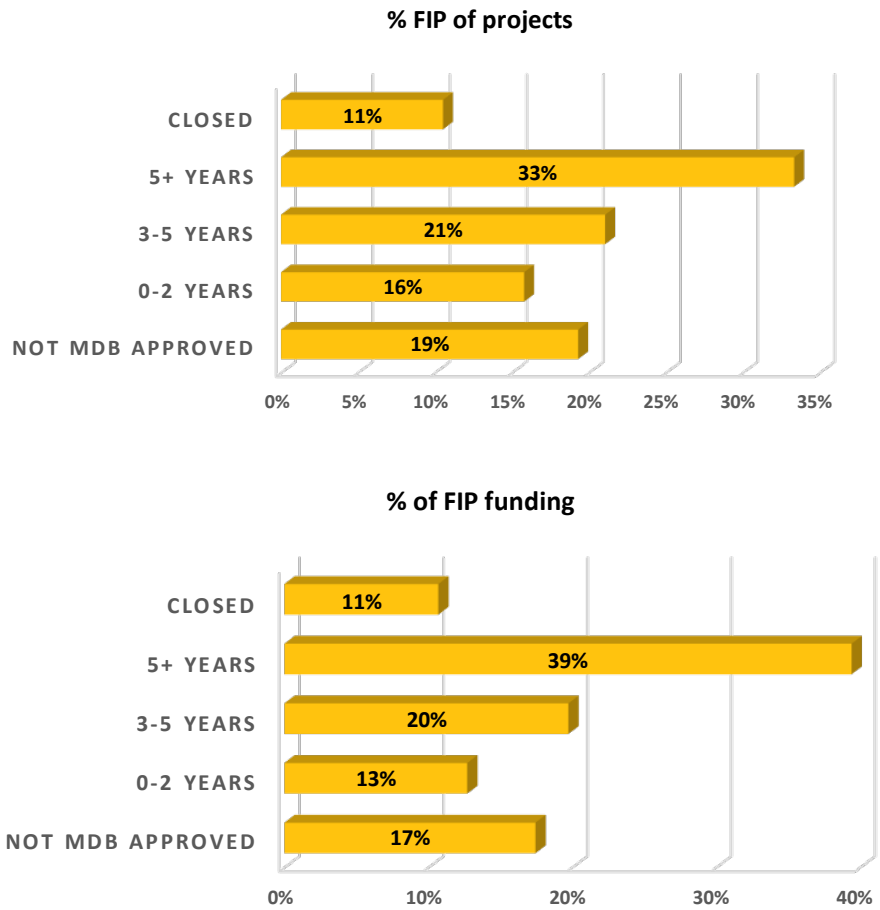
¹¹ Because of the methodological adjustments affecting results from 2019-2021, it is not advisable to make *direct* comparisons of these results with previous reporting years. This report includes results reported from 2017 to 2021 to provide a proxy illustration of how results have evolved year-on-year.

¹² Results from DGM projects are not currently captured through the FIP M&R system.

¹³ The seven projects are from Côte d'Ivoire, Guatemala, Nepal, Peru, and Republic of Congo.

closed,¹⁴ representing approximately 11 percent of the portfolio. The remaining 16 percent of MDB-approved projects in the portfolio are less than three years old. In terms of total FIP funding, half (50 percent) of the portfolio has either surpassed five years of maturity or closed, whereas the other half (50 percent) falls within the 0-to-5 years range, including the 17 percent of projects that have not yet reached MDB approval (see Figure 6).

Figure 6: MDB-approved portfolio maturity for FIP (including DGM)



¹⁴ Projects identified as “closed” reflect their current status as reported in the CCH. Additional projects may have completed implementation on the ground and/or reported final project results, although they have not yet been reported as “closed” within the CCH.

5.3 Overview of RY2022 Results (Achieved through December 31, 2021)

WHERE DO WE STAND?

2022 FIP Results Report

Total FIP investments of

**Note: There are no FIP projects in ECA region.*



have mobilized co-financing of



resulting in...



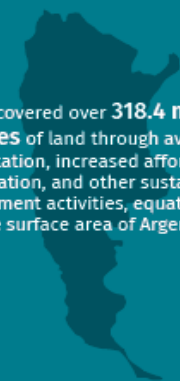
million tons of CO₂ eq. reduced or avoided




ha of land covered through avoided deforestation, increased afforestation/reforestation, or other sustainable land management activities




people receiving livelihood co-benefits.




FIP has covered over **318.4 million hectares** of land through avoided deforestation, increased afforestation/reforestation, and other sustainable land management activities, equating to more than the surface area of Argentina.



Over **2 million people** (57% men, 43% women) have received direct livelihood co-benefits from FIP, which is more than the populations of Mauritius and Solomon Islands combined.



FIP projects continue to support gains in **biodiversity; forest governance; land tenure, rights, and access; and capacity development** in forests and communities around the world.



FIP investments have resulted in over **27 million tons of CO₂ eq** reduced or avoided, the equivalent of taking more than **5.9 million cars off the road in a year.**

5.4 FIP Category 1 Results

5.4.1 FIP Theme 1.1a: GHG emissions reduced/avoided or enhancement of carbon stocks

53. Based on MDB-reported results data from 11 FIP projects in six countries, **FIP has achieved a cumulative total of 27.28 million tons of CO₂ eq. reduced, avoided, or from enhanced carbon stocks as of December 31, 2021** (see Table 11). This figure represents a 37 percent achievement against the cumulative target, which was reported as 73.61 million tons of CO₂ eq. (tCO₂ eq) reduced, avoided, or from enhanced carbon stocks, based on the expected results from 22 FIP projects in 12 FIP countries. Results are not reported from Brazil or Mozambique, and projects do not report on greenhouse gas (GHG) emissions every year.¹⁵

Table 11: FIP reporting theme 1.1a: GHG emissions reduced/avoided/enhanced carbon stocks (as of December 31, 2021)

Country	Target (1)	Cumulative achieved by end of 2021 (MtCO ₂ eq)	Percent achieved (Cumulative)
Brazil	Not reported	Not reported	Not reported
Burkina Faso	11.78	5.54	46.9%
Côte d'Ivoire	6.64	0.00	0%
DRC	13.6	5.92	43.5%
Ghana	8.91	6.46	72.6%
Guatemala	0.58	0.0	0%
Indonesia	3.7	1.45	39.2%
Lao PDR	4.07	2.25	55.3%
Mexico ¹⁶	1.2	5.66	473%
Mozambique	Not reported	Not reported	Not reported
Nepal	17.74	0.0	0%
Peru	4.91	0.0	0%
Republic of Congo	0.5	0.0	0%
Total	73.61	27.28	37.1%

54. At the country level, leading contributions toward cumulative GHG emissions reduced/avoided and enhanced carbon stocks come from Ghana (6.46 million t CO₂ eq), DRC

¹⁵ Timelines for GHG accounting vary among MDBs. Typically, projects report to CIF on GHG emissions reduced/avoided at mid-term review and completion.

¹⁶ Since the entire FIP Investment Plan in Mexico is now closed, no new achievements are reported as compared to last year. The CIF is planning to conduct an IP close-out exercise with Mexico in FY23, which will serve to validate the final results achieved, among other objectives.

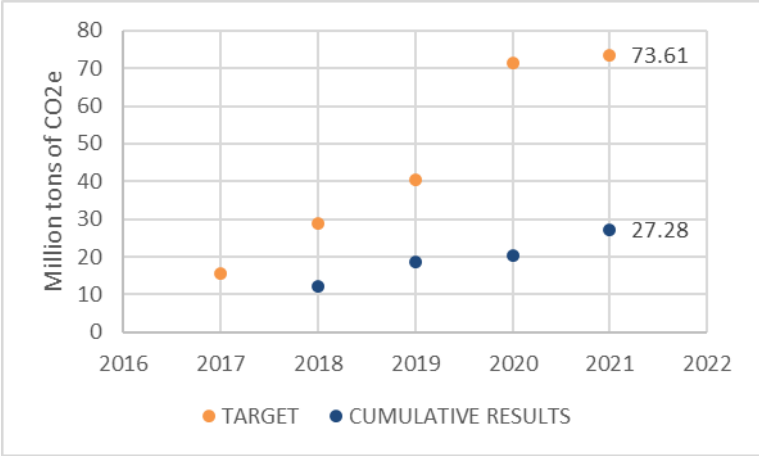
(5.92 million t CO₂ eq), Mexico (5.66 million t CO₂ eq), Burkina Faso (5.54 million t CO₂ eq), Lao PDR (2.25 million t CO₂ eq), and Indonesia (1.45 million t CO₂ eq). The majority of cumulative results achieved from FIP projects stem from Africa, which has collectively contributed 17.92 million t CO₂ eq of emissions reduced/avoided, accounting for roughly 66 percent of the total emissions reductions achieved by FIP projects as of December 31, 2021.

55. Burkina Faso, DRC, and Ghana reached approximately 52 percent of their total target emissions for reduced/avoided GHG over the implementation period of their projects (i.e., 17.92 million t CO₂ eq against a collective target of 34.29 million t CO₂ eq). In Asia, cumulative GHG emissions reduced/avoided from FIP projects in Indonesia and Laos reached 15 percent of to the total target for all FIP countries in Asia (including Nepal).
56. At the project level, the main project driving the increase in cumulative emissions reductions in 2021 is the Enhancing Natural Forest and Agroforest Landscapes Project (World Bank) in Ghana, which reported an additional 4.89 million tCO₂ eq of emissions reduced/avoided as of this year. Also in Ghana, the Engaging Local Communities in REDD+/Enhancement of Carbon Stocks Project (AfDB) reached completion in 2021, reporting a final contribution of 1.07 million t CO₂ eq in emissions reductions toward the program's total (27 percent of the project-level target of 3.9 million t CO₂ eq).
57. The Community-Focused Investments to Address Deforestation and Forest Degradation project (ADB) in Indonesia added 0.36 million t CO₂ eq to the newly reported results. Meanwhile, the Democratic Republic of Congo's Improved Forested Landscape Management Project (World Bank) reported an additional 0.26 million t CO₂ eq to the cumulative figures of GHG emissions reduced/avoided and enhanced carbon stocks achieved in 2021 alone. Among the three closed projects reporting on this theme (Ghana's Engaging Local Communities in REDD+/Enhancing Carbon Stocks Project (AfDB) and Mexico's Forests and Climate Change Project and Financing Low Carbon Strategies Project (both IDB Group)), the cumulative achievement has surpassed 32 percent of these projects' collective targets.
58. The Community Agroforestry and Wood Energy Project (PACBE) in the Republic of Congo was approved by AfDB in 2021, adding 0.5 million tons of CO₂ eq toward the expected results for this reporting theme. In addition to the project's mitigation potential, it will contribute to the promotion of competitive and resilient agriculture through the integrated development of agri-food value chains in the country and will improve the business environment for small- and medium-sized agricultural enterprises.
59. **Annual trends:** As shown in Figure 7, both GHG emissions targets and cumulative achievements reported have continued to increase year-on-year from 2017 to 2021.¹⁷ **From 2020 to 2021 alone, cumulative emissions reductions reported increased by 33 percent (20.47 to 27.28 million t CO₂ eq.),** whereas the targeted emissions have increased only by 3 percent (71.25 to 73.61 million t CO₂ eq). This has resulted in a slightly higher percentage of achievement against the target for 2021 results as compared to 2020 results (37 percent in 2021 compared to 29 percent in 2020). The upward trend is likely to continue as more

¹⁷ Cumulative results were not reported for 2017.

projects mature to the point of reporting achieved GHG emissions reductions, while fewer projects are at the stage of reporting new targets (i.e., MDB Board approval). Cumulative results are thus expected to continue growing gradually as projects reach mid-term and completion over time¹⁸ and the more recently MDB-approved projects in Côte d’Ivoire, Guatemala, Nepal, Peru, and Republic of Congo begin to accrue actual results from their efforts to reduce/avoid emissions and enhance carbon stocks.

Figure 7: Cumulative GHG emissions reduced/avoided/enhanced carbon stocks from 2017-2021 (million tons of CO2 eq.)



60. It is important to note that the cumulative achievement reported for FIP’s GHG emissions reductions since 2019¹⁹ is an estimate with limitations, since it is based only on data reported to the CIF Administrative Unit through MDBs at the project level. The estimate relies on a harmonized framework of MDBs’ project-level GHG reductions/sequestration results, as formulated within diverse indicators and reported on only as projects’ own reporting timeframes allow. In some cases, for example, a project-level indicator may only capture a cumulative reduction in net annual emissions at the time of project completion (as opposed to the gross cumulative emissions reductions achieved by a project over its entire implementation period). The framework also does not systematically capture all ongoing GHG emissions reductions/sequestration from FIP interventions beyond the project completion date, as the program-level FIP M&R system intends to do. The CIF Administrative Unit is planning to examine these issues in more detail in FY23 and, in coordination with MDBs, devise an approach to improve program-level estimates of this important mitigation outcome.

¹⁸ It should be further emphasized that, due to constraints from COVID-19 reporting years and the changing role of FIP MDB data in results reporting over time, methodologies have shifted somewhat across reporting years. Caution is therefore recommended when interpreting longitudinal trends.

¹⁹ When data availability became constrained due to the COVID-19 pandemic

5.4.2 FIP Theme 1.1b: Area covered by sustainable land management practices

61. **New and additional land area covered by sustainable land management practices in 2021 reached an unprecedented level of 273,828,108 hectares (ha), approximately 584 times the net annual achievement in 2020 of 468,489 ha** (see Table 12). A total of 12 FIP projects contributed to this result, including the Environmental Regularization of Rural Lands in the Cerrado of Brazil (World Bank), which contributed an outsize proportion (see Box 4). This achievement occurred despite the cumulative target for area covered moving slightly downward to 40,660,061 ha from the previous target of 41,346,320 ha (based on 27 projects for 2021). The target decreased primarily due to the Mozambique Forest Investment Project (World Bank), which was restructured during the reporting period because of delayed procurement and several emergency situations that affected one of the landscapes originally targeted.²⁰ The project has halted activities in and around the Quirimbas National Park, resulting in a significant target reduction from 906,500 ha to 43,000 ha.

Table 12: FIP reporting Theme 1.1b: Area covered by sustainable land management practices (Ha, as of December 31, 2021)

Country	Target	Annual 2021	Cumulative 2021	Percent achieved (Cumulative)
Brazil	30,556,166	273,578,531	309,598,851	1013%
Burkina Faso	745,300	77,725	716,530	96%
Côte d'Ivoire	240,400	5,400	5,400	2%
DRC	400,600	182,053	221,324	55%
Ghana	255,433	*N/A	208,521	82%
Guatemala	88,600	0	0	0%
Indonesia	29,880	160	32,439	109%
Lao PDR	5,112,831	11,050	5,117,432	100%
Mexico	2,568,401	0	2,505,665	98%
Mozambique	43,000	21,797	32,871	76%
Nepal	22,250	0	0	0%
Peru	584,200	0	0	0%
Republic of Congo	13,000	0	0	0%
Total	40,660,061	273,828,108	318,439,033	783.17%

Note: *Due to a reporting anomaly affecting CIF's ability to estimate the annual country-level achievement for Ghana, only validated cumulative figures are available for RY2022.

²⁰ These emergencies included the intensification of conflict in Cabo Delgado in 2018, Cyclone Kenneth, which hit Cabo Delgado in April 2019, and the 2020-2021 COVID-19 pandemic.

62. Brazil overwhelmingly led annual contributions to FIP Theme 1.1b in 2021, reporting 273,578,531 *new* hectares covered, with the project Environmental Regularization of Rural Lands in the Cerrado of Brazil (World Bank) responsible for the lion's share: 273,546,995 ha (nearly 100 percent of the country total). This land area corresponds to the project's definition of sustainable land management through the rural environmental cadaster registration process (see Box 4). If this project intervention is treated as an outlier for the FIP-level indicator, approximately 281,113 ha of new and additional lands were covered by other sustainable land management practices of all FIP projects in 2021 alone.
63. The Democratic Republic of Congo (DRC) had the second highest country contribution to FIP Theme 1.1b in 2021, reporting 182,053 additional hectares under sustainable management practices. The Improved Forested Landscape Management Project (World Bank) was responsible for the largest single increase among DRC's FIP projects, owing to its 149,047 ha covered by sustainable land management activities, such as agroforestry plantations and enclosures that facilitate natural regeneration by protecting land areas from bush fires. Burkina Faso was the third highest contributor, with an additional 77,725 ha covered. The Decentralized Forest and Woodland Management Project (World Bank), which completed implementation in 2021, reached 76,622 ha through REDD+ activities, such as reforestation, avoided deforestation, reduced forest degradation, as well as the project's creation of conservation spaces on 30,000 ha.
64. At the project level, other annual achievements toward FIP Theme 1.1b include:
- The Integrated Landscape Management in the Cerrado Biome Project (World Bank) in Brazil reported that 30,319 ha adopted sustainable landscape management practices and low-carbon emissions agricultural and restoration practices within private landholdings.
 - The Community-Focused Investments to Address Deforestation and Forest Degradation Project (ADB) in Indonesia reached 26,160 ha through multiple community-focused REDD+ activities, for example: protection of natural forests with community-based forest fire management (15,017 ha), deforested land brought under improved community-based agroforestry systems (610 ha), degraded land rehabilitated through community-based assisted natural regeneration (1,500 ha), and natural forest land brought under community-based forest management (9,042 ha).

Box 4: Environmental Regularization of Rural Lands in the Cerrado of Brazil (IBRD)

As of December 31, 2021, nearly 3.6 million inhabitants of small and medium-sized properties and the territories of registered Traditional Peoples and Communities (PCT) have been supported by the Environmental Regularization of Rural Lands in the Cerrado of Brazil Project (World Bank), bringing a tremendous 309 million ha under sustainable land management practices.

The project acts in synergy with Brazil's eight other FIP projects to support the implementation of the Brazilian Forest Code, which requires private rural landholders to maintain a certain percentage of native vegetation as legal reserves, as well as to maintain areas of permanent preservation, such as riparian forests along watercourses. The Forest Code also requires landholders to be registered in the Rural Environmental Cadaster (Cadastro Ambiental Rural, CAR), an electronic register maintained by environmental agencies that monitors private rural land use and compliance with reforestation requirements.

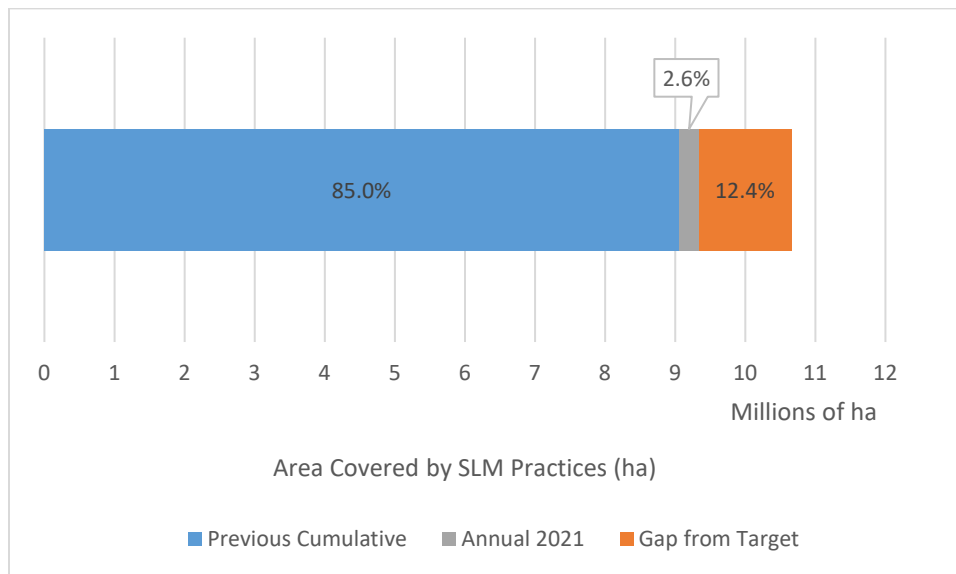
One major component of the project directly supports the registration of landholdings in selected municipalities within the CAR. Given the linkages between CAR enrollment and the sustainable land management requirements in the Brazilian Forest Code, these project activities translate to the over 309 million ha of improved sustainable land management, as defined and measured through the FIP M&R system. Project interventions are further strengthening the Brazilian Forest Service's ability to monitor illegal deforestation and implement the Forest Code. For example, the project is working to empower state agencies to receive, analyze, and approve rural environmental cadaster entries and link them to the national electronic system (SICAR). These activities are expected to help bring smallholder properties into compliance with land use regulations, including through the recovery of vegetation on illegally cleared lands.

65. **In terms of cumulative results, the total land area covered by 19 FIP projects as of December 31, 2021 has reached an all-time high of 318,439,033 ha.** This achievement already represents over 783 percent of the expected results (i.e., targets) from 27 projects, even though only 19 projects have contributed measurable results on this reporting theme to date.
66. Broader program-level achievements for this reporting theme are largely masked in the total results reported due to the effects of the Environmental Regularization of Rural Lands in the Cerrado of Brazil Project (IBRD) as an extreme positive outlier. However, an adjusted analysis of FIP Theme 1.1b excluding the outlier project illustrates that a total of 9,339,033 ha—an area approximately equivalent to the combined 2020 tree cover of Guatemala and Nepal²¹—have been covered by FIP-supported sustainable land management practices (cumulatively) against an adjusted target of 10,660,006 ha. This corresponds to a cumulative achievement

²¹ UN Data. FRA 2020. *Global Forest Resources Assessment*. <https://fra-data.fao.org/WO/fra2020/home>

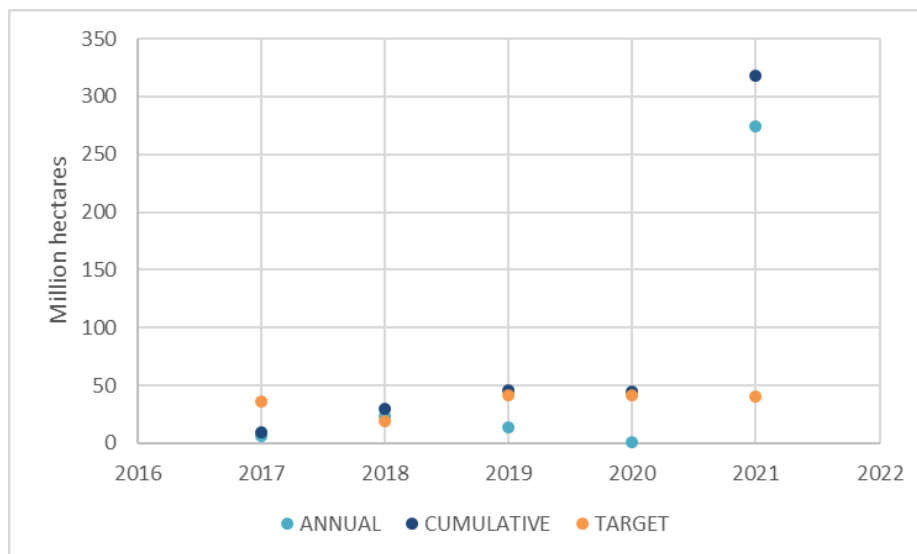
of nearly 88 percent of the adjusted target, including 85 percent achieved prior to RY2022 and nearly 3 percent achieved in RY2022 alone (see Figure 8).

**Figure 8: FIP progress toward Theme 1.1b as of December 31, 2021
(adjusted to exclude the Environmental Regularization of Rural Lands in the Cerrado of Brazil Project)**



67. For instance, the Democratic Republic of Congo has climbed to 55 percent of its country-specific target this year, in part because of the Improved Forested Landscape Management Project (World Bank), which expanded its target from 105,000 ha to 350,000 ha upon receiving additional financing to support a new geographic area and added 208,462 ha to its achievements. In addition, the Integrated REDD+ Project in the Mbuji-Mayi/Kananga and Kisangani Basins (AfDB) reported results for the first time in RY2022. The project supported 6,431 ha of degraded forests covered by management plans, 4,142 ha of plantations established in year 4, and 2,289 ha of agro-forestry areas sown in the project zones.
68. The Community Agroforestry and Wood Energy Project (AfDB) in Republic of Congo contributed moderately to FIP's expected results, by way of bringing agroforestry practices to 13,000 new hectares of land. Six additional projects in Peru (2), Nepal (1), Guatemala (2), Côte d'Ivoire (1) all expect to make tangible contributions toward sustainable land management practices but are relatively early in implementation and have not yet achieved any results on the ground.
69. **Annual trends:** Year-on-year, total FIP trends are noticeably influenced by the Environmental Regularization of Rural Lands in the Cerrado of Brazil Project (World Bank). Figure 9 illustrates the tremendous jump from previous reporting years to 2021 results. **Cumulative area covered in 2021 (318,439,033 ha) increased by approximately 612 percent from 2020, when the cumulative result was 44,699,363 ha.** Excluding the outlier project's annual contribution, the adjusted cumulative result for 2021 is a more modest 44,892,038 ha.

Figure 9: Cumulative area covered by sustainable land management practices (ha) from 2017-2021



5.4.3 FIP Theme 1.2: Livelihood co-benefits

70. In addition to their direct climate benefits, FIP program investments contribute substantially to the economic and social well-being of recipient communities and beneficiaries residing in and around forested areas. Common livelihood co-benefits include an improved source of income, employment opportunities, entrepreneurship, access to finance, education, health, and more.
71. In RY2022, FIP projects saw a significant increase in the total number of people receiving livelihood co-benefits, expanding their reach by approximately 618,977 people since RY2021. **This brings the new cumulative number of people receiving livelihood co-benefits to 2,068,430 (83 percent of the cumulative target of 2,503,776 people).** A total of 16 projects reported non-zero annual results, 24 projects reported cumulative results, and 30 projects reported targets in RY2022.
72. As shown in Table 13 and Figure 10, Burkina Faso continues to report the highest number of results on FIP Theme 1.2 both annually (472,862 people) and cumulatively (910,337 people). The substantial annual increase was largely driven by the Decentralized Forest and Woodland Management Project (World Bank), which completed implementation in 2021 and recorded a final tally of 533,395 people in forest and adjacent communities receiving monetary/non-monetary benefits from forests (213 percent of the project-level target of 250,000 people). In this project, non-monetary benefits include reduced conflict over resources, greater local ownership and sustainability of investments, and strengthened social ties among communities and local authorities. The beneficiaries include approximately 279,570 men (52 percent) and 253,825 women (48 percent). The Climate Change Mitigation and Poverty Reduction Through the Development of the Cashew Sector Project (AfDB) has

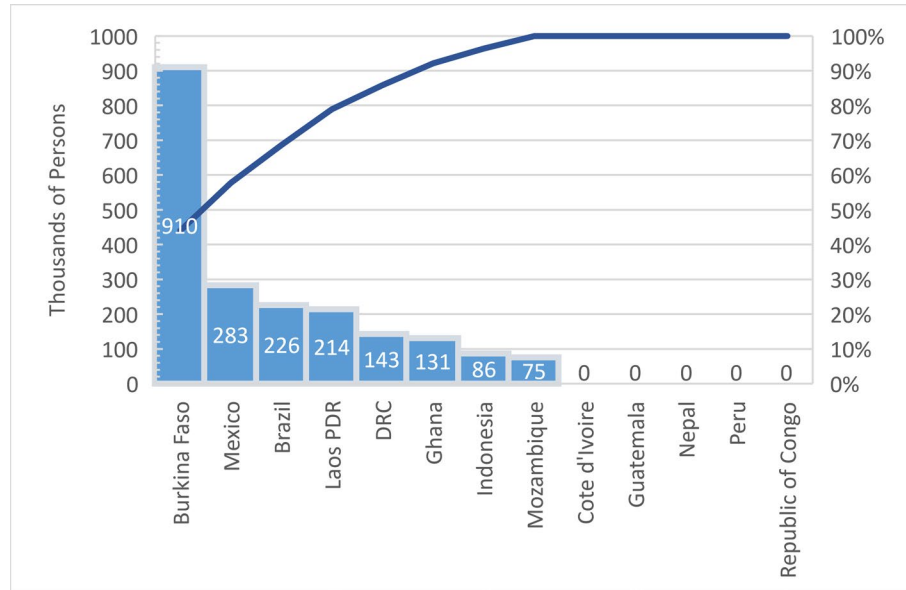
also engaged 29,806 producers (24,815 men and 4,991 women) to train them on land and forest resource management practices.

Table 13: FIP reporting theme 1.2: Livelihood co-benefits as of December 31, 2021

Country	Target	2021 Annual results	2021 Cumulative results	Percent achieved (Cumulative)
Brazil	194,745	5,972	225,580	115.8%
Burkina Faso	270,400	472,862	910,337	336.7%
Côte d'Ivoire	790,200	*N/A	484	0.0%
DRC	277,500	12,338	142,706	51.4%
Ghana	137,411	13,074	130,559	95.0%
Guatemala	1,300	0	0	0.0%
Indonesia	100,000	46,174	86,477	86.5%
Lao PDR	236,525	67,758	214,046	90.5%
Mexico	281,777	0	282,742	100.3%
Mozambique	75,093	835	75,499	100.5%
Nepal	110,000	0	0	0.0%
Peru	15,425	0	0	0.0%
Republic of Congo	13,400	0	0	0.0%
Total	2,503,776	618,977	2,068,430	82.6%

Note: * Due to a measurement correction affecting the Forest Investment Project (World Bank) in Côte d'Ivoire, only validated cumulative figures are available at country level for RY2022.

Figure 10: Distribution of FIP country contributions toward program-level livelihood co-benefits²²



73. After Mexico,²³ Brazil reported the third highest proportion of livelihood co-benefits, having supported 5,972 new people in 2021. This was primarily due to the new skills and techniques trainings (579 people) undertaken through the National Forest Inventory within the Forest Information to Support Public and Private Sectors in Managing Initiatives Focused on Conservation and Valorization of Forest Resources Project (IDB Group) and from multiple activities in the Integrated Landscape Management in the Cerrado Biome Project (World Bank), such as farmers and landholders adopting improved agricultural technology, agricultural assets and services, environmental conservation, restoration practices, and more (6,196 people in total).
74. In DRC, approximately 6,377 people benefited from improved livelihood through the Integrated REDD+ Project in the Mbuji-Mayi/Kananga and Kisangani Basins project activities (AfDB), including female-headed households and youths specifically targeted. An additional 5,715 farmers in DRC have adopted an improved agro-forestry technology promoted by the Improved Forested Landscape Management Project (World Bank).
75. In Ghana, three FIP projects have together supported an additional 13,074 people in 2021 (including approximately 57 percent men and 43 percent women): Enhancing Natural Forests and Agroforest Landscapes (World Bank), Engaging Local Communities in REDD+/Enhancement of Carbon Stocks (AfDB), and Public-Private Partnership for restoration of degraded forest reserve through VCS and FSC certified plantations (AfDB). The Enhancing

²² Countries on the left-hand side of this graph reported the highest net number of persons supported for this reporting theme (in descending order). Moving from left to right, the curve indicates the percentage of total FIP program-level livelihoods co-benefits achieved by each country and the countries to its left.

²³ All projects in Mexico's FIP Investment Plan (excluding DGM) have closed. The country did not report any new results in RY2022.

Natural Forests and Agroforest Landscapes project has supported the most people with livelihoods co-benefits on a cumulatively basis, at 97,112 people (55 percent men, 45 percent women).

76. FIP projects in Asia have contributed approximately 113,932 new beneficiaries (18 percent) to the annual results in 2021. This jump includes 41,685 people benefiting from the Promoting Sustainable Community-Based Natural Resource Management and Institutional Development Project in Indonesia (World Bank), 4,489 beneficiaries from the Community-Focused Investments to Address Deforestation and Forest Degradation Project in Indonesia (ADB), and 32,740 household members who adopted integrated farming systems with support from the Protecting Forests for Sustainable Ecosystem Services Project in Lao PDR (ADB), among others.
77. While FIP projects in Latin America and the Caribbean had contributed at least 502,350 beneficiaries toward cumulative results prior to 2021 (over 24 percent of the current FIP portfolio total) the region represented only 1 percent of new beneficiaries reached in 2021. This is largely because FIP projects in Mexico have been completed and are no longer reaching new beneficiaries each year, whereas newer FIP investments in Peru and Guatemala have not yet begun to generate results on the ground. Figure 11 illustrates the total number of people receiving livelihood co-benefits, as well as the relative percentage distribution by region.
78. Other FIP countries with more recently MDB-approved projects, such as Nepal and Republic of Congo, have also not yet reached a mature enough stage of implementation to report achieved livelihood co-benefits. However, Guatemala, Peru, Nepal, and Republic of Congo together expect to reach another 140,125 people in the coming years. Projects in Côte d'Ivoire, which have only accounted for 484 people receiving livelihood co-benefits (447 men and 37 women), expect to reach a targeted 790,200 people.

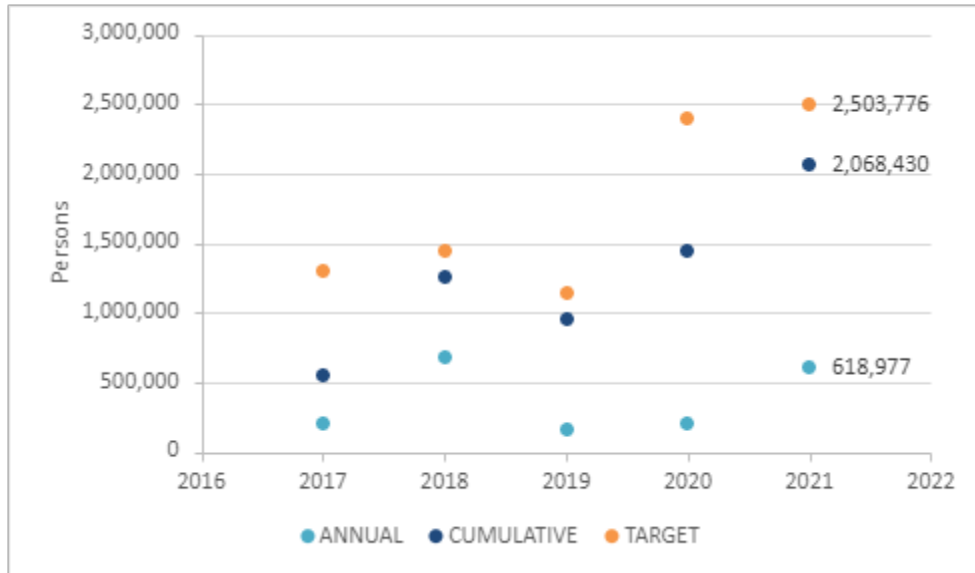
Figure 11: Cumulative livelihood co-benefit results by region, 2020 versus 2021



79. **Annual trends:** From 2019 to 2021, the cumulative number of people receiving livelihood co-benefits increased substantially from 960,852 people to 2,068,430 people, representing a 115 percent net increase over the two-year period. The level of ambition across FIP projects simultaneously climbed from a target of 1,142,789 people (in 2019) to the latest target of 2,503,776 (in 2021), representing a 119 percent increase over the same period (see Figure 12).
80. **In the past one year alone, the cumulative number of people receiving livelihood co-benefits has increased from 1,449,453 people to its current 2,068,430 people, while the target moved upward more modestly from 2,404,451 people to its current 2,503,776 people.** The 2021 cumulative results for FIP Theme 1.2 thus mark an 83 percent achievement, as compared to a 60 percent achievement rate in 2020. Meanwhile, the annual results for FIP Theme 1.2 have risen from 174,824 people in 2019, to 215,356 people in 2020, to 618,977 people in 2021. The increases in both annual and cumulative beneficiaries supported are driven by more mature project activities in Burkina Faso, DRC, Indonesia, and Lao PDR, which collectively accounted for 599,132 people supported in 2021, or 97 percent of all annual livelihood co-benefits achieved.
81. Annual results are likely to fluctuate in the coming years as a function of the program’s divided state of maturity (see Section 5.2). Mature projects are expected to report their final results at various junctures in tandem with newer projects beginning to reach their targeted

beneficiaries at different points in time. However, the achievement gap for cumulative results achieved against the total target is only expected to decrease, since almost all FIP countries' project targets have now been set, while an increasing number of FIP projects will be assessing total livelihood co-benefits accrued as they reach the project completion phase.

Figure 12: People receiving livelihood co-benefits from 2017-2021²⁴



82. **Livelihood co-benefits by gender:** FIP promotes the full and equal inclusion of women and marginalized people in the planning, decision-making, and implementation processes of its investments. To monitor gender-specific outcomes in the program, the CIF Administrative Unit is working to enhance analysis of available gender-disaggregated results data, in line with the [CIF Gender Action Plan – Phase 3](#) and the [CIF Monitoring, Evaluation, and Learning Policy](#). Table 14 illustrates the gender-disaggregated achievements and targets reported for FIP Theme 1.2 as of December 31, 2021.
83. **Out of the total cumulative achieved livelihood co-benefits that are reporting gender-disaggregated data, approximately 56.7 percent of all beneficiaries are men and 43.3 percent are women.** This combined achievement (1,657,481 people) reflects approximately 80 percent of all achieved livelihood co-benefit results that have been reported, since the remaining 20 percent of results achieved (corresponding to 410,949 people) were not reported in a gender-disaggregated manner. The gender-disaggregated results achieved are mostly due to a small number of projects (such as the Decentralized Forest and Woodland Management Project in Burkina Faso (IBRD)) reporting gender-disaggregated results significantly beyond their set targets. In contrast, only 51 percent of the total target value

²⁴ While it is not advisable to directly compare all results reported from 2017 to RY2021 (due to temporary methodological constraints on M&R from COVID-19), comparisons of 2017–2018 and 2019–2021 are more feasible respectively. A cautious consideration of all five years can also provide a rough approximation of how the portfolio's results have shifted over time.

reported for FIP Theme 1.2 is based on gender-disaggregated data (corresponding to 1,284,565 people).

84. Despite the significant gender gaps that remain in many FIP countries (see Table 14), the program has already exceeded its gender-specific targets at portfolio level. The 939,769 men who have received livelihood co-benefits represent a 116 percent achievement against the 813,269 men included in targets. Similarly, the 717,712 women who have received livelihood co-benefits represent a 152 percent achievement against the 471,296 women included in targets.
85. In Ghana, FIP has supported more women than men, both in real terms (69,236 women compared to 61,323 men) and relative terms (101 percent of women-specific target achieved compared to 89 percent of men-specific target achieved). Many of these gains have been seen at the community level, such as in the Enhancing Natural Forests and Agroforest Landscapes Project (World Bank), which has supported 52,725 women and 44,387 men with benefits from both forests and climate-smart agriculture, or the Engaging Local Community in REDD+/Enhancement of Carbon Stocks Project (AfDB), which has provided capacity-building to 6,867 women and 6,089 men (see Box 5). Ghana is also one of the few FIP countries to have reported 100 percent gender-disaggregated data for both achieved results and targets.
86. Many other FIP countries are relatively close to gender parity in their results, including: Lao PDR (52 percent men to 48 percent women); Burkina Faso (53 percent men to 47 percent women); DRC (52 percent men to 48 percent women); and Indonesia (55 percent men to 45 percent women).

Table 14: Gender-disaggregated livelihood co-benefits in FIP countries, as of December 31, 2021

Country	Cumulative achieved (men)	Target (men)	Cumulative achieved (women)	Target (women)	Breakdown of total achieved result by gender	Remaining country results (without gender data)	*Proportion of country results with gender data available
Brazil	8,592	14,619	2,872	4,682	74.9% Men 25.1% Women	214,116	5.1% of results 9.9% of target
Burkina Faso	466,600	169,452	420,901	91,188	52.6% Men 47.4% Women	22,836	97.5% of results 96.4% of target
Côte d'Ivoire	447	12,600	37	12,600	92.4% Men 7.6% Women	0	100% of results 3% of target
DRC	70,602	152,500	65,481	101,000	51.9% Men 48.1% Women	6,623	95.4% of results 91.4% of target
Ghana	61,323	68,847	69,236	68,564	47% Men 53% Women	0	100% of results 100% of target
Guatemala	0	0	0	300	0% Men 0% Women	0	0% of results 23.1% of target
Indonesia	47,462	65,000	39,015	35,000	54.9% Men 45.1% Women	0	100% of results 100% of target
Lao PDR	64,234	99,559	60,599	93,691	51.5% Men 48.5% Women	89,213	58.3% of results 81.7% of target
Mexico	218,147	217,574	58,357	58,229	78.9% Men 21.1% Women	6,238	97.8% of results 97.9% of target
Mozambique	2,362	1,631	1,214	1,539	66.1% Men 33.9% Women	71,923	4.7% of results 4.2% of target
Nepal	0	0	0	0	0% Men 0% Women	0	0% of results 0% of target
Peru	0	2,127	0	463	0% Men 0% Women	0	0% of results 16.8% of target
Republic of Congo	0	9,360	0	4,040	0% Men 0% Women	0	0% of results 100% of target
Total	939,769	813,269	717,712	471,296	56.7% Men 43.3% Women	410,949	80.1% of results 51.3% of target

Note: * This refers to the percentage of each country's total reported results value for FIP Theme 1.2 based on gender-disaggregated data. For example, if a country reports 100 people with livelihood co-benefits based on multiple indicators, but only one indicator reports 10 men and 10 women, this column would read 20%, since 80% of the country's achieved results do not report a gender-disaggregated breakdown. This is not the same as the total number of projects or indicators reporting gender-disaggregated data.

Box 5: Engaging Local Communities in REDD+/Enhancement of Carbon Stocks - ELCIR+ (AfDB)



The ELCIR+ Project, the first major REDD+ investment in Ghana, is aimed at contributing to the increase in carbon stocks and poverty reduction in off-reserve areas of Ghana's High Forest Zones by engaging communities in land management approaches that generate direct financial and environmental benefits.

Gender equality and women's empowerment have been critical in the implementation of this project. Gender inclusion was a selection criterion for project beneficiaries, and specific activities were designed for women, including the promotion of women's groups and enterprises, participation in the charcoal value chain, enhanced access to land, training, and support for alternative livelihoods

activities. Women empowering interventions were especially focused in carting of seedlings, nursery operations, marketing, and representation on the project governance and decision-making body.

For instance, women communities and groups played a pivotal role in seed management (especially in laboratory work) and grafting, and they have successfully received the necessary training. Women constituted about 90 percent of casual workers. Other areas that gained women's interests and their competitiveness were soap making and mushroom farming, while male members were more interested in other agricultural activities. In addition, women performed well in the marketing and selling in the charcoal value chain. The project has also shown that individual women gained more bargaining power through joining the cooperatives. The average female participation rate was 45 percent.

Source: AfDB

5.5 FIP Category 2 results

87. FIP Category 2 reporting covers Biodiversity and Other Environmental Services (Theme 2.1); Governance (Theme 2.2.); Tenure, Rights, and Access (Theme 2.3); and Capacity Development (Theme 2.4) and is primarily based on information from FIP countries' annual results reports. In RY2022, optional country results reports were submitted by seven countries: Brazil, Burkina Faso, Côte d'Ivoire, DRC, Indonesia, Lao PDR, and Mozambique. Since limited results from Category 2 were reported in RY2021, some of the main achievements highlighted in this section reflect results realized over the past few reporting periods.

5.5.1 Biodiversity and Other Environmental Services (Theme 2.1)

BIODIVERSITY

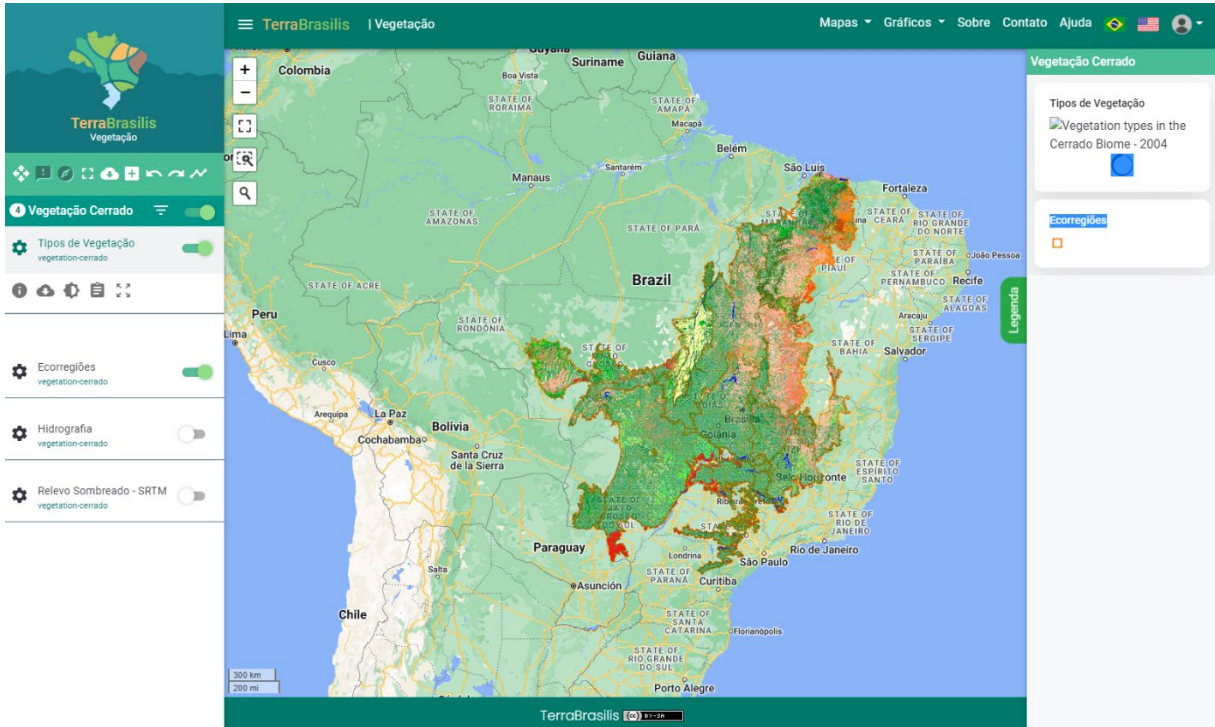
Biodiversity refers to the richness of local species that are typical of a habitat, ecosystem, or biome in areas covered by the FIP investment plan.

Other environmental services refer to any ecosystem function that is demonstrably beneficial to humankind. Examples include the role of forests in regulating air and water quality, stabilizing the local climate, protecting soil, and enhancing physical resilience to climate stress.

88. In **Burkina Faso**, land securitization is helping to reduce the loss of habitats and other environmental services and safeguard biodiversity. Approximately 43,015 ha have been registered under five classified forests protected by the state. In addition, 92.5 ha were registered in ten conservation areas overseen by local authorities, and 16,641 ha of conservation areas were established through 30 deeds of amicable transfer.
89. In **Indonesia**, FIP program activities are assisting communities to manage and protect forest areas. During the reporting period, FIP project activities helped facilitate forest fire management training and distributed forest fire equipment for community forest fire brigades, which carried out 50 patrols. Around 38,229 ha will be protected by forest fire management (FFM) and 79,693 ha indirectly protected by community-level patrols. As of December 2021, a total of 4,500 ha of degraded land (85 percent of the target) had been rehabilitated through community-based assisted natural regeneration. Targeting key tree species is facilitating the natural succession/regeneration of forests with or without assistance from communities.
90. In **Brazil**, FIP projects activities have contributed to a reduction in the loss of habitats and other environmental services during the reporting period.
- The Environmental Regularization of Rural Lands in the Cerrado of Brazil Project (World Bank) assisted with the environmental regularization of rural properties to comply with the Brazilian Forest Code (Law 12.651 of 2012), and registered properties within the Rural Environmental Cadaster (Cadastro Ambiental Rural, CAR). By 2021, approximately 309 million ha were under sustainable management practices because of the project.
 - The Development of Systems to Prevent Forest Fires and Monitor Vegetation Cover in the Brazilian Cerrado Project (World Bank) implemented a process of cross-checking changes in the vegetation cover with information from different data sources, including CAR, which provided information used to combat vegetation fires during drought periods. This proved fundamental to reducing the loss of habitats, biodiversity, and environmental services. In 2021, the project mapped the deforestation in the new delimitation of the Cerrado biome. The new boundary incorporated more than 145 thousand km² (7 percent of the current area) and lost more than 200 thousand km² (10 percent of the old area). Figure 13 shows the new

boundaries and type of vegetation of the Cerrado Biome as displayed in the TerraBrasilis platform.

Figure 13: Cerrado map. Classification of vegetation in the new Cerrado boundary from TerraBrasilis platform²⁵



91. In **DRC**, FIP projects have contributed significantly to the restoration of habitats, natural resources, and other ecological services. In 2021, the Integrated REDD+ Project in the Mbuji-Mayi/Kananga and Kisangani Basins (AfDB) supported natural resource management, reduced loss of natural habitats, and an increase in ecosystem services. This was achieved through the establishment of agroforestry plantations, the enrichment of degraded forests, and afforestation activities that applied rapid growth tree species to the supply basins (Mbuji-Mayi, Kananga and Kisangani), covering a total of 24,412 ha according to country sources. Meanwhile, the Improved Forested Landscape Management Project (World Bank) has protected 21,251 ha of savannahs and forests and identified approximately 100,000 ha with local development committees as potential areas for local community forest concessions. As a result of the plantation activities and the protection of forests and savannahs, the projects have helped to rebuild the population of certain animal species (antelopes, squirrels, cane rats).

²⁵ <http://terrabrasilis.dpi.inpe.br/app/map/vegetation?hl=pt-br>.

5.5.2 Forest Governance (Theme 2.2)

FOREST GOVERNANCE

Governance refers to the processes—including legal provisions and enforcement—through which officials, institutions, and forest users (both women and men) acquire and exercise authority in the management and conservation of forest resources.

Improved forest governance is characterized by the development, enhancement, and/or enforcement of and compliance with policies, laws, and other regulatory mechanisms and incentive programs that encourage sustainable forest management and conservation.

92. In **Côte d'Ivoire**, monitoring activities are now being carried out in the Taï National Park. Groups of young people living near gazetted forests have been organized into surveillance committees, which fight against both the clearing of forest lands and fires. Surveillance committees are monitoring areas that are considered vulnerable due to gold panning activities and development linked with former plantations. Communication and awareness-raising campaigns are improving local stakeholders' understanding and mobilizing them around the challenges of preserving the national park. A consultation framework for exchanges with stakeholders and improved local governance has also been established. In addition, local participatory management committees (CGP-FC) have been set up to assist with the management of gazetted forests. Women and young people are well represented across these groups.
93. In **Lao People's Democratic Republic**, FIP is strengthening forest governance by raising forest conservation awareness and ensuring that forest laws/regulations are enforced to reduce forest and environmental crime. The program is advancing knowledge, developing skills, and promoting a positive attitude toward forests by training and running field practices for project staff to be able to provide technical backstopping to farmers and villagers. The project Protecting Forests for Sustainable Ecosystem (ADB) developed a Gender Action Plan (GAP) that is regularly monitored to ensure that men and women, including ethnic minorities, have equal access to planning processes, decision-making, and implementation.
94. In **Mozambique**, improving forest governance remains a critical challenge. The FIP Investment Plan (in 2015) helped initiate dialogue on this matter in the country, leading to a series of government reform actions in the forest sector. The Mozambique Forest Investment Project (World Bank) has supported many of these reforms, as well as multiple activities to strengthen forest governance. Highlights from 2021 include:
- Supporting Multi-Stakeholder Landscape Forums (MSLFs) in the Zambézia and Cabo Delgado provinces to facilitate multi-stakeholder coordination, dialogue, and landscape-level monitoring. These forums emphasize the representation of community leaders and chiefs. Activities have unfortunately been more limited since the onset of COVID-19.

- Preparation for the second assessment on Governance of the FAO/PROFOR Framework tool, which covers Legal and Institutional Framework, Planning and Decision Making, and Implementation Allocation and Compliance.
95. The Government of **Indonesia** recognizes the important role that customary laws and local communities play in sustainable forest management. Social forestry is hence a strategic priority in FIP Indonesia, which aims to provide communities with access to forest resources and promote their active participation in forest management. Some recent results achieved include the following:
- A long-term forest management plan under development with key stakeholders, including local and customary law communities and Indigenous Peoples from 10 ethnic groups
 - A Knowledge Management Information System (KMIS) with forest-related information extended to embrace new forest management units (FMUs) and wider stakeholders
 - Enhanced social safeguards and a grievance redress mechanism using a Safeguard Information System in West Kalimantan
 - Consulting services for an academic assessment of draft regulation for the Customary Forest Community Masyarakat Hutan Adat (MHA) in Limau
 - Provincial Regulation concerning Forest Management in Lakitan and a new government regulation (No. 23/2021) concerning Forest Governance in Rinjani Barat
96. In **Brazil**, the FIP Investment Plan has contributed to the inclusion of excluded and vulnerable groups in decision-making processes through knowledge production, as well as by systematizing and providing strategic information on forest resource management to the public.
- The Environmental Regularization of Rural Lands in the Cerrado of Brazil Project (World Bank) targeted the registration of owners and inhabitants of small rural properties, Indigenous Peoples, and local communities using a participatory process.
 - The Integrated Landscape Management in the Cerrado Biome Project (World Bank) is serving smallholder rural producers, 25 percent of whom are women (3,472 women).
 - The Development of Systems to Prevent Forest Fires and Monitor Vegetation Cover in the Brazilian Cerrado Project (World Bank) engaged with the governmental Indigenous affairs agency in Brazil (FUNAI) to train local communities on the use of data for forest management, fire risk tools and platforms, monitoring changes in vegetation cover, fire spread, and more.
97. In **DRC**, FIP projects have worked to mobilize communities and establish local development committees (CLD) to oversee natural resource management for village terroirs over the long term. A total of 462 CLDs were structured or revitalized under the Improved Forested Landscape Management Project (World Bank) and the Integrated REDD+ Project in the Mbuji-Mayi/Kananga and Kisangani Basins (AfDB). On average, women represent 30 percent of management committee members in the CLDs, which also incorporate representatives

from marginalized and Indigenous populations to participate in local governance issues. The role of conservation, for example, is often specifically assigned to Indigenous Peoples, who are considered to live within natural environments already and serve as guardians of natural resources. The Democratic Republic of Congo has also demonstrated significant progress in forest governance through the establishment of inclusive, multi-stakeholder project steering committees, the development of Natural Resource Management Plans for village lands and local community forest concessions, and the enrichment of 6,105 ha of 19 degraded forests with fast-growing species through the development of management plans.

98. One governance-related challenge that FIP DRC faces is that provincial elected officials in Mai-Ndombe have still not adopted a draft policy on provincial natural resource management, which was submitted for approval at the end of 2018. As a consequence, all decisions on natural resource management drawn up with communities in natural resource management plans remain non-binding to third parties.

5.5.3 Land Tenure, Rights, and Access (Theme 2.3)

LAND TENURE, RIGHTS, AND ACCESS

Land tenure, security, rights, and access refer to the ability of individuals and communities—particularly Indigenous Peoples and women—to own, control, access, and use lands, territories, and other forest resources. This thematic area is typically enabled and/or codified through legal and regulatory frameworks and also involves livelihoods security and the exercise of land-related rights over time.

99. In **Côte d'Ivoire**, the 2019 Forest Code, together with the forest protection, rehabilitation, and extension policy, have strengthened the legal framework for the protection of property rights and land access. The Forest Investment Project (World Bank) is working to provide local communities with access to gazetted forests to begin practicing agroforestry. Despite their increasing awareness of agroforestry, many people remain reluctant to access gazetted forests for this purpose. To address this, the project plans to continue raising awareness and to combine the period of reforestation work with agricultural work to help reinforce the association between teak and food crops.
100. In **Burkina Faso**, land tenure has now been formalized along several fronts. A total of 111 boundary sketches have been established, 193 deeds of amicable transfer drawn up, 89 demarcation plans drawn up, 24 land sites registered, 39 formal applications registered, 39 requisitions made, 53 definitive transfer orders signed, 15 copies of land titles registered, while 169 final disposal orders are in progress/awaiting signature. In 2021 alone, FIP Burkina Faso helped finalize the registration process for five gazetted forests, issue six land titles, and register 15 investment sites on behalf of communes in the intervention area. The program also witnessed the finalization of cadastral division in municipalities, enhanced land tenure security for FIP investments in conservation areas, and the development of specifications and local land charters for the sustainable management of conservation areas and REDD+ investments.

101. In **Mozambique**, land regularization under the Mozambique Forest Investment Project (World Bank) has now surpassed the targets established for land rights titles (7,100) and communities benefiting (160) from delimitation certificates in both Cabo Delgado and Zambezia provinces. By the end of 2021, 189 community areas had been delimited, 29,503 land parcels (2,622 in Cabo Delgado and 26,881 in Zambezia) recorded, and 22,428 land right titles granted.
102. In 2021, **Indonesia's** Ministry of Environment and Forestry enacted MoEF Regulation No. 8/2021) on Social Forestry, which codifies five schemes for the social use of forests: Customary Law Forests/Hutan Adat, Village Forests/Hutan Desa, Community Forests/Hutan Kemasyarakatan, Community-Planted Forests/Hutan Tanaman Rakyat, and Forestry Cooperation/Kemitraan Kehutanan with Permit Holders for Forest Utilization Enterprises (PBPH). FIP Indonesia has supported communities residing in and adjacent to forests to select a suitable scheme for utilizing forest resources. In addition:
103. The Community-Focused Investments to Address Deforestation and Forest Degradation Project (ADB) has facilitated local community in developing agroforestry for carbon stock enhancement and improve community livelihoods in 17 villages and two Forest Management Units (see Box 6).
104. The Promoting Sustainable Community-Based Natural Resource Management and Institutional Development Project (World Bank) has provided grants to 95 forest farmer groups in 10 FMUs to develop and enhance their on-farm and off-farm businesses.
105. A village land development process was launched in **DRC** as part of FIP, which is enabling sustainable forest management through the identification of local community forest concessions (CFCLs)²⁶ and the protection of primary forests. The approach involves developing management plans for CFLCs, in which land security issues (such as obtaining CFCL titles) and community access to resources are considered.
106. The land development process initiated as part of the Improved Forested Landscape Management Project (World Bank) is now an important component of the entire REDD+ sector. Thanks to the approach of FIP projects, territorial delimitation, for example, has been reduced to the level of the *village terroir*, which is the smallest administrative entity. This approach enables local communities to take part in the management of their own land areas, and for these local boundaries to be respected at multiple administrative levels within the country. The natural resource management plans (PGRN) have also significantly reduced intra-community conflicts related to land boundary disputes.

²⁶ Recognized by DRC's legislative framework, local community forest concessions (CFCLs) allocate specific forested areas to communities, who are responsible for protecting the areas while also being granted access to the land for sustainable activities that can help improve their livelihoods.

Box 6: Community-based forest management through social forestry scheme in Indonesia



Project: Community Focused Investments to Address Deforestation and Forest Degradation in Indonesia

Implementing entity: ADB

FIP Funding: USD 17 million

Objective: Support the government and customary communities to sustainably manage forests and reduce GHG emissions through enhancing institutional and technical capacity and improving livelihood of rural communities to address drivers of

The project aims to introduce a community-based forest management agreement (CBFM) between community groups and Forest Management Units (FMUs) to 17,000 ha of forested area. The project is implemented within four FMUs in Kapuas Hulu and Sintang. The CBFM is implemented through the nationally regulated social forestry scheme, which provides communities with long-term legal access to forest areas. Following the signing of a social forestry agreement, the project provides support for the development of a community business strategy and plan.

Lesson Learned from the CBFM Facilitation Process



COMMUNITY CONSULTATIONS

The Project conducted few consultations (initial socialization, area delineation, GRM, group establishment, and preparation of CBFM proposal including training program). FMU is an important partner during consultations.



PARTICIPATORY MAPPING

The mapping aims to minimize tenurial conflict and to obtain community consent for the CBFM program. FMU should be part of the process and to synchronize with the Forest Management Plan.



GROUP ESTABLISHMENT

The existing farmers group for Agroforestry, ANR, Livelihood Improvement programs are established and included as the Social Forestry Group.



TRAINING & PROPOSAL DEVELOPMENT

Training themes: regulation framework, organizational development, and REDD+ planning and implementation. The Project facilitate development of proposal and submission to the Central Government for verification.

ACHIEVEMENTS:

- 10 villages are selected for the CBFM in Sintang and Kapuas Hulu
- 32,275 Ha are proposed for Social Forestry/CBFM
- 530 people (145 are women) will receive benefits from the CBFM
- Type of CBFM: Village Forest and Conservation Agreement (in the National Park).
- Expected to have the Agreement before Dec 2021

Source: ADB

5.5.4 Capacity Development (Theme 2.4)

CAPACITY DEVELOPMENT

Capacity development refers to any activity that aims to improve the ability or competence of stakeholders (individuals or institutions) to address the direct and indirect drivers of deforestation and forest degradation. The exact nature of capacity development activities varies according to stakeholder-specific needs.

107. Multiple projects in **Brazil's** FIP Investment Plan have contributed to the expansion of institutional capacities related to sustainable forest management. As a result of activities in the Development of Systems to Prevent Forest Fires and Monitor Vegetation Cover in the Brazilian Cerrado Project (World Bank), Brazil has expanded its monitoring capacity to include areas beyond the Amazon. States have improved their generation of data and information, leading to improved accuracy and new components in their planning, which contribute to evidence-based public policymaking. The project held a hybrid event in December 2021, training 400 data users on informational tools. Other relevant capacity development results include the following:
- Capacity building to improve the management of forest resources in 58 government institutions
 - “Cerrado: Scenarios and Perspectives” webinar held with the participation of around 1,500 people
 - A monitoring workshop conducted to deepen knowledge about data, methodology, and systems used in Brazil to monitor the vegetation cover of the Cerrado, (1,300 participants)
 - Dissemination of results in the media (573 times), in addition to virtual product launch events, increasing the project's visibility among different sectors of society
 - A seminar held in hybrid format to share the progress made in the agenda, in partnership with the Ministry of Science, Technology and Innovation (MCTI), INPE and the federal universities of Goiás and Minas Gerais
 - 1,241 professionals, students, and public managers using the data from the project
108. The Integrated Landscape Management in the Cerrado Biome Project (World Bank) commemorated “Cerrado Day” by helping to organize two virtual training courses with 48 technicians. Other capacity development results include the following:
- The selection of 64 new technicians by SENAR to provide guidance to rural farmers, with 36 technicians hired; 254 people in SENAR's field days; 1,298 people in distance learning; and 243 people in on-site training
 - Embrapa Cerrados approved support for innovation and technology transfer, which aims to develop technical capacity on integrated landscape planning, restoration of native vegetation, and agricultural practices to support rural producers in making decisions about land use and complying with environmental legislation

- Technical assistance provided to 4,000 rural landowners to improve property management, increase pasture productivity, and recover native vegetation
109. In **Lao People's Democratic Republic**, the Protecting Forests for Sustainable Ecosystem Services Project (ADB) has supported the following:
- REDD+ training at provincial, district, and village levels, including in schools (103 staff at district and provincial levels, 925 people at village level, 1,547 students in schools)
 - Participatory land-use planning and village development plan training for the provincial and district staff team to increase their knowledge and skills on stakeholder consultation and data analysis
 - Field training for district staff and villagers on tree planting, maintenance techniques, and assisted natural forest regeneration
 - “Operational Logging and Degradation Monitoring System” training to central, provincial, and district technical staff to enhance monitoring of changes in forest and land use
110. Overall, FIP Lao PDR has contributed to improving stakeholder capacities in forest and land use planning via tree planting and assisted natural regeneration (ANR), patrolling and law enforcement, conservation education, improvement of livelihoods through agroforestry, sustainable agriculture, land management practices, and land-use planning.
111. In **Indonesia**, the FIP projects have enhanced the institutional capabilities through the following activities:
- Facilitating trainings for national and local government, FMUs, and communities
 - Identifying 62 types of training needed, of which 22 trainings have been already implemented: Forest Administration (9), Forest Planning (14), Forest Utilization (21), Conservation of Natural Resources and Ecosystem and Law Enforcement (10), Rehabilitation and Social Forestry (8)
 - Establishing eight provincial consultative committees to coordinate across sectors at the subnational and local government levels on forest management and FIP monitoring
 - Developing an Information System for Long Term Forest Management Plan [Information System for Long Term Forest Management Plan](#) (SI-RPHJP) to accelerate RPHJP development and its approval²⁷
 - Developing an [e-learning portal](#) on sustainable forest management at, and a Knowledge Management Information Sharing [System](#).
112. In **Burkina Faso**, the FIP program has contributed to capacity development through some of the following activities:

²⁷ <https://rphjpkph.menlhk.go.id/portal.php>

- Acquisition of production equipment for the benefit of at least 300 producers
 - Support for the operationalization of national REDD+
 - Training of REDD+ infrastructure management committees
 - Strengthening material capacities to enable the operationalization of the national forest monitoring system
 - Training on REDD+ for local government officials in charge of rural development
 - Organizing two consultations on integrating REDD+ into the national legal framework
113. FIP Burkina Faso has also disseminated educational films in the field of sustainable land management, as well as published simplified technical sheets on sustainable land management good practices. In 2021, the program focused on building the material capacities of the Directorate General of Taxes (DGI) with appropriate equipment to strengthen land tenure security activities, acquiring production equipment for producers, and providing advisory support services to municipalities on the implementation of REDD+.
114. **Mozambique** faced significant implementation challenges in 2021 due to ongoing constraints from COVID-19. Nonetheless, the FIP program continued to emphasize enhancing the capacity of its key stakeholders in the following ways:
- Project technical teams and partners from the Provincial Land Cadaster office (SPGC), District Services of Economic Activities (SDAE) and District Planning and Infrastructure Services (SDPI) technicians were trained on spatial planning tools and the use of GIS to improve the capacity of district and provincial services linked to the land management sector.
 - Project technical teams and partners from SPGC, SDAE and SDPI were trained in monitoring and evaluation.
 - Key provincial services were supported on the use and application of the Forest Information System, forest licensing, inspection of the use of forest resources, monitoring of forest resources, and community management of forest resources.
 - Two regional trainings (Center and North) were carried out on wood identification. Approximately 35 (Center) and 30 (North) technicians from national and provincial agencies participated.
 - The Mozambique Forest Investment Project (World Bank) is also supporting the development of the National Forest Information System (SIF). The system was finalized in 2021, and the five modules were tested successfully.

5.6 Completed FIP Projects

115. When a project has been fully disbursed (public sector) or its loans have been completely repaid (private sector), MDBs prepare a project completion report,²⁸ in line with each MDB's procedures.²⁹ Upon sharing this report with the CIF Administrative Unit, the MDB concludes its project-level FIP results reporting requirement.³⁰ Project completion reports are designed to promote accountability, report the final results achieved, and provide lessons from completed operations. In some cases, an independent review of a project completion report may also be conducted.
116. The CIF Administrative Unit is currently working with the MDBs to compile all project completion reports available for completed FIP projects,³¹ which will enable further analyses of results achieved among completed projects, lessons learned, and more. As the FIP portfolio matures, project completion reports are expected to play an increasingly important role in future FIP results reports.
117. A total of seven FIP project completion reports have been received as of RY2022 (see Table 15), including the four FIP projects that reached completion during the reporting period (see Section 3.2.5). Across these newly completed projects, several common themes for lessons have emerged: project design and implementation considerations (four projects), institutional coordination and project delivery arrangements (two projects), financial considerations (two projects), stakeholder engagement and community involvement (two projects), land security (two projects), capacity building and technology (two projects), and M&R issues (three projects) (see Table 16).

²⁸ Terminology of these reports varies from MDB to MDB. For example, IBRD refers to them as "Implementation Completion and Results Reports (ICRs)."

²⁹ IFC is unable to share its project completion reports with CIF due to its information disclosure policy.

³⁰ Some degree of project engagement may still be required as part of FIP's country-led M&R mechanism.

³¹ Some projects that have completed implementation have not been reported as closed in the CCH and some closed projects have not issued project completion reports.

Table 15: FIP projects that have submitted a completion report to CIF as of RY2022

Project	MDB	Country	Completion Date
Forest Information to Support Public and Private Sectors in Management Initiatives	IDB Group	Brazil	September 2021
Engaging Local Communities in REDD+/Enhancement of Carbon Stocks	AfDB	Ghana	August 2021
Financing Low Carbon Strategies in Forest Landscapes	IDB Group	Mexico	July 2021
Decentralized Forest and Woodland Management	IBRD	Burkina Faso	2021 (ICR)
Sustainable Production in Areas Previously Converted to Agricultural Use Project under the Low Carbon Emission Agriculture Plan	World Bank	Brazil	Nov 2019
Support for Forest-Related Micro, Small, and Medium-Sized Enterprises (MSMEs) in Ejidos	IDB Group	Mexico	October 2019
Forests and Climate Change Project	World Bank	Mexico	February 2018

Table 16: Common themes and excerpts from FIP project completion reports submitted to CIF in RY2022³²

Project design and implementation considerations (four projects)	
<ul style="list-style-type: none"> • There was a need to undertake on-farm/adaptive trials prior to extending the technologies to the farmers. There is a need for a clear understanding of technology generation demand for such interventions to select technology solutions for the problems identified and for resource and time planning in project design. • It is relevant that the interventions that seek to reduce deforestation are based on mechanisms that respond to the needs, limitations, and characteristics of the sector and the target population, in such a way as to facilitate the effective implementation of sustainable practices or strategies. • In contexts in which there is little knowledge and presence within a sector, financial intermediaries with extensive experience and solidity in the field can function as a way to facilitate access to the target population. • Digital supervision mechanisms should be considered when setting up the budget for similar projects that require intervention in areas far from cities, since the cost of supervision is higher. 	
Institutional coordination and project delivery arrangements (two projects)	Financial considerations (two projects)
<ul style="list-style-type: none"> • The process of developing local investment plans constituted an added value to good local governance in general, and that of the sustainable management of forest resources in particular, enabled through community-led planning and multi-actor implementation. • The use of country institutions with the mandate to perform the key activities that the project envisaged helped the project to efficiently use the resources, as the opportunities to synergize activities with other ongoing activities in the institutions engendered institutional sustainability. 	<ul style="list-style-type: none"> • The government should avoid multiple administrative layers by adhering to the designs agreed upon at appraisal. The introduction of additional layers under the same entity impeded the efficiency of funds' flow. • It is necessary to incorporate financial schemes that work as incentives for both FIs and beneficiaries, in such a way that environmental impacts are combined with economic gains. Schemes such as partial credit guarantees could be explored to achieve greater leverage of financial resources.
Stakeholder engagement and community involvement (2 projects)	Land security (2 projects)
<ul style="list-style-type: none"> • Building a solid foundation for community-led development through citizen engagement at the most local level is essential for the successful implementation of community-led REDD+ projects. 	<ul style="list-style-type: none"> • Addressing land tenure security as one of the indirect drivers of deforestation is key to improving landscape governance. Landscape governance includes, among other areas, the decision-making processes for attributing land and determining the land's vocation, conflict

³² Only new information from the new completion reports is included in this table. For RY2022, the CIF Administrative Unit received completion reports for four projects.

<ul style="list-style-type: none"> • Giving sufficient time and consideration to harnessing local knowledge for developing a shared vision is one of the most important lessons that other countries need to consider if replicating the approach in other parts of the Sahel. • To avoid implementation delays, it is recommended to start the analysis of landscape governance roles leading into the consultation process already during the project preparation phase. • Generation of the beneficiaries' own knowledge about better environmental management, coupled with the opportunity to be accredited by the formal financial system [are important considerations]. 	<p>management, land right security, and revenue sharing. Improving governance requires a breakdown analysis of the roles within the communities to separate, for example, customary right holders, land users including transhumant pastoralists and other vulnerable groups, and local formal representatives of special interest groups. Bringing land users together in a managed process and identifying practical solutions to give access rights to different user groups is critical to overcome the issue of land security as one of the underlying causes of deforestation and forest degradation.</p> <ul style="list-style-type: none"> • The operation was an innovative strategy, since it focused on reducing deforestation through a line of credit [extended] to the population that had been virtually excluded from this kind of financial service due to the type of tenure of their lands (communal), which prevented them from being granted collateral.
<p>Capacity building and technology (two projects)</p>	<p>M&R issues (three projects)</p>
<ul style="list-style-type: none"> • The organization of virtual events enables the participation of a large number of interested parties and allows the content to be recorded and available for later consultation. • [With] high turnover of project staff, the institutional memory, experience, and knowledge of the Bank's rules and procedures are lost, and the newcomer needs to be trained again. Even the replacement of professionally qualified [staff] slows down the learning curve and deprives the project of benefiting from the experience and skills of the previous professional. Transfers of project staff should be avoided to the extent possible. 	<ul style="list-style-type: none"> • Some of the operational and monitoring difficulties could have been mitigated if coordination and communication between the different actors had been reinforced from the start of the project. It is suggested to organize start-up workshops with all the actors involved, in such a way that the operation of the program is streamlined, that the generation of information is of better quality, and the objective of the program is transmitted with greater force to the final beneficiaries. • It is relevant that the institution in charge is encouraged to capture data within its information systems, allowing progress in green portfolio financing to be identified. • The absence of systematic macro-monitoring of the grant recipient (for example, ensuring audit and supervision mission recommendations) could adversely affect project delivery.

5.7 FIP Social and Economic Development Impact Modeling

118. CIF's flagship research program on mapping and quantifying the social and economic development impacts of climate investments (SEDICI) includes the use of economic modeling to quantify jobs and onward economic effects of the portfolio. This work has included the use of the Joint Impact Model (JIM) to model each CIF program's impacts on employment (indirect, induced, and additional renewable energy generation-enabled jobs) and economic value-added (direct, indirect, induced, and additional renewable energy-enabled). Based on the success of this engagement, CIF is now a member of the Development Committee of the Joint Impact Model, alongside FMO, Stewart Redqueen, FinDev Canada, Proparco, AfDB, CDC, BIO, KfW, JP Morgan, OeEB, and PIDG. Within this role, CIF is informing the development of the model and the multiple workstreams being implemented to refine and increase the accuracy of the model's outputs.
119. **FIP jobs and economic value added:** The JIM model, run for the FIP portfolio as of December 2021,³³ estimates that FIP projects contribute 95,445 person-years of employment. This includes 33,694 person-years of direct employment; 24,704 person-years of induced employment (of which 27 percent is formal, 73 percent is informal, and 46 percent represents female employment) and 37,047 person-years of supply chain jobs (of which 33 percent is formal, 67 percent is informal, and 42 percent represents female employment). The portfolio is also expected to generate economic value added of \$1 billion, including \$629 million in direct value added and \$381 million in supply chain value added.
120. **Model fine-tuning:** As part of its role on the JIM Development Committee, CIF is currently leading a workstream to enhance the model's treatment of differentiated and distributive impacts. The workstream will assess and execute model improvements or additions relating to: enhanced granularity of economic activity tagging for energy investments to estimate direct, indirect, and induced employment and economic value added effects; an enhanced evidence base to estimate the forward effect effects of energy generation (or energy enabling impacts); and enhanced distributive impact calculations, including disaggregation by type of job created (formal/informal or skilled/unskilled), disaggregation of employment effects; and, as relevant, economic value added per demographic categories and economic strata. The workstream is preparing to launch the research program in FY23.

5.8 FIP's Contribution to SDGs

121. FIP projects contribute to a range of UN Sustainable Development Goals (SDGs), which CIF maps based on project design and objectives (see Figure 14).

³³ Excluding technical assistance grants

Figure 14: FIP contributions to the UN Sustainable Development Goals³⁴



122. The investment activities of all FIP projects contribute toward SDG 1 (No Poverty), SDG 13 (Climate Action), and SDG 15 (Life on Land), while a sub-set of FIP projects also contribute toward SDG 2 (Zero Hunger), SDG 5 (Gender Equality), and SDG 9 (Industry, Innovation, and Infrastructure).
123. **SDG 2: End Hunger.** The majority of FIP projects (34) have activities that support communities to enhance food availability, improve the environmental management of the lands, restore forest cover, and support forest-related economies.
124. **SDG 5: Gender Equality:** Thirty-one FIP projects contribute toward SDG 5 by helping to reduce women’s vulnerability and enhance their socio-economic empowerment. For example, FIP projects are formalizing and strengthening market conditions for women-led enterprises related to non-timber forest products, advocating for land tenure legal reforms that give equal rights to men and women, and enhancing training and leadership development for women.
125. **SDG 9: Industry, Innovation, and Infrastructure.** Six FIP projects are contributing to elements of SDG 9. Corresponding activities include increasing the access of small-scale industrial enterprises to financial services (such as affordable credit), supporting their integration into value chains and markets, and developing new value chains for non-timber forest products (such as macauba palm oil).

³⁴ Project count as per Portfolio Management Team data on TFC approvals as of December 31, 2021

6 Progress on DGM³⁵

126. As of December 31, 2021, there are 12 DGM country projects, of which, 11 have received World Bank approval and one is still pending approval (Nepal). Two countries received project approval (Guatemala and Republic of Congo), four countries closed out (Brazil, Peru, Ghana, and Burkina Faso), five continued implementations (Côte d'Ivoire, DRC, Indonesia, Mexico, and Mozambique). DGM Burkina Faso, Brazil, and Peru proceeded with closeout activities, including subproject finalization, monitoring, reporting, and technical and financial closeout at the same time that other projects were in the process of kicking off activities or at the peak of implementation.
127. Throughout the last seven years of DGM project implementation, Indigenous Peoples and local communities have made significant progress in several areas, including obtaining land tenure and community recognition, gender equity, economic improvement, food sovereignty, cultural restoration, inclusion in national policy, and sustainable agroforestry.
128. Through the DGM, Indigenous Peoples and local communities in eight countries (Burkina Faso, Indonesia, Brazil, Mexico, Ghana, DRC, Mozambique, and Peru) are now directly managing 628 subprojects, with a combined value of over USD 17 million toward community-led initiatives (See Table 18). Box 7 illustrates an example from Brazil.
129. The interest for DGM subgrants continues to increase with new calls for proposals and expressions of interest. DGM countries are continuously working to improve their reach and access to communities with these calls, which have proven to be effective due to the high volume of proposals received.

Table 17: DGM subproject numbers and amounts approved by country

Country	Quantity	Total (USD)
Brazil	64	2,480,905
Burkina Faso *	85	2,342,382
DRC	6	380,720
Ghana	219	2,650,055
Indonesia	49	3,266,555
Mexico	43	2,047,518
Mozambique	10	541,541
Peru	98	3,945,269
Total	574	17,465,874

Note: * In Burkina Faso there are subprojects for Natural Resource Management and micro-projects for livelihoods.

³⁵ Information based on the 13th Semi-Annual Report of DGM prepared by Conservation International. More detailed information of DGM implementation and results can be found in the [DGM website](#), including annual reports and semi-annual implementation reports.

Box 7: Boosting handicraft products of Indigenous women in the Araguaia Region



Project: DGM Brazil

Implementing Agency: IBRD

DGM Funding: US\$ 6.0 million

Objective DGM was created to support the full and effective participation of IPLCs in the design and implementation of projects and activities in an effort to reduce deforestation and forest degradation at the local, national and global levels

The main achievement of this subproject has been the strengthening of market strategies, which was achieved via trainings held on market knowledge, branding of the crafts produced by Karajá women, and commercialization of their products. The brand created for the handicraft products is a definition of the Indigenous people themselves and reflects the Karajá culture, also called Iny.

The Karaja women identified the need to cater to a virtual marketplace and learned how to create an [online store](#). The need for a virtual store was also highlighted due to the COVID-19 pandemic, which has limited the movement of Indigenous people and increased online sales.

This subproject focused on handicraft production and commercialization, construction of kilns to produce Karajá ceramic pieces, knowledge exchange among Karajá ceramic producers, workshops and consultancies aimed at improving the manufacturing process, pricing, commercialization, and administrative management of the implementing organization, in addition to other institutional strengthening activities. This resulted in improving the livelihoods of the Indigenous families involved. The project was also led by the elderly women, who are the main guardians and maintainers of the Karajá ceramic handicraft activity, which resulted in even more recognition and strengthening.

Source: DGM Global

Annex 1: FIP Resource Availability

FIP TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS				
<i>Inception through March 31, 2022</i>				
<i>(USD millions)</i>				
		Total	Capital	Grant
Donor Pledges and Contributions				
Contributions		752.3	258.7	493.6
Pledges	a/	0.3	-	0.3
Total Pledges and Contributions		752.6	258.7	493.9
Cumulative Funding Received				
Contributions Received				
Cash Contributions		702.8	209.3	493.6
Unencashed promissory notes	b/	49.4	49.4	-
Unencashed promissory notes- TAF		-	-	-
Cash Contribution - Allocation from Capital to Grants	c/	-	(14.0)	14.0
Total Contributions Received		752.3	244.7	507.6
Other Resources				
Investment Income earned -up to Feb 1, 2016	d/	14.5	-	14.5
Total Other Resources		14.5	-	14.5
Total Cumulative Funding Received (A)		766.8	244.7	522.1
Cumulative Funding Commitments				
Projects/Programs		653.6	207.6	446.0
MDB Project Implementation and Supervision services (MPIS) Costs		34.4	-	34.4
Administrative Expenses-Cumulative to 1st Feb 2016	d/	25.6	-	25.6
Country Programming Budget from 1st Jan 2018	d/	0.6	-	0.6
Technical Assistance Facility	i/	3.0	-	3.0
Total Cumulative Funding Commitments		717.2	207.6	509.6
Project/Program,MPIS and Admin Budget Cancellations	e/	(54.3)	(35.0)	(19.3)
Net Cumulative Funding Commitments (B)		662.8	172.5	490.3
Fund Balance (A - B)		104.0	72.2	31.8
Currency Risk Reserves	f/	(7.4)	(7.4)	-
Currency Risk Reserves-TAF		-	-	-
Unrestricted Fund Balance (C)		96.6	64.8	31.8
Future Programming Reserves:				
Admin Expenses-Reserve (includes Country Programing budget/Learning and Knowledge exchange reserve) and for FY 20-28 (net of estimated investment income and reflows). Breakup of various components are provided below. (Model Updated as of December 31,2017)				
subtract	g/	(11.0)		(11.0)
Administration Expense reserve for CIFAU, MDB & Trustee		USD 20.9 Million		
Country Programming Budget Reserve		USD 1.0 Million		
Learning and Knowledge Exchange Reserve		USD 1.1 Million		
add				
Estimated Investment Income Share for FIP		USD 5.4 Million		
Projected Reflows		USD 6.6 Million		
Technical Assistance Facility	i/ j/	(6.1)		(6.1)
Unrestricted Fund Balance (C) after reserves		79.4	64.8	14.7
Anticipated Commitments (FY22-23)				
Program/Project Funding and MPIS Costs		71.7	64.0	7.7
Technical Assistance Facility		-	-	-
Total Anticipated Commitments (D)	k/	71.7	64.0	7.7
Available Resources (C - D)		7.8	0.8	7.0
Potential Future Resources (FY22-23)				
Pledges	a/	0.3		0.3
Contributions Receivable		-		-
Release of Currency Risk Reserves	e/	7.4	7.4	-
Release of Currency Risk Reserves-TAF	e/	-		-
Total Potential Future Resources (E)		7.8	7.4	0.3
Potential Available Resources (C - D + E)		15.5	8.2	7.4
Reflows from MDBs	h/	2.2		2.18

a/ The balance of the pledge amount from the U.S

b/ This amount represents USD equivalent of GBP 37.7 million.

c/ Promissory Notes amounting to GBP 9.9 million received as capital contributions are available to finance grants (including administrative costs) according to the terms of the contribution agreements/arrangements. The Promissory Notes were encashed for USD 14.03 on May 27, 2021

d/ From Feb 1, 2016, Investment Income across all SCF programs has been posted to a notional Admin "account", from which approved Administrative Budget expenses for the Trustee, Secretariat and MDBs are committed. The Country Programming budgets are recorded under individual programs.

e/ This refers to cancellation of program and project commitments approved by the SCF TFC

f/ Amounts withheld to mitigate over-commitment risk resulting from the effects of currency exchange rate fluctuations on the value of outstanding non-USD denominated

g/The amount of this reserve is estimated by the CIFAU and Trustee using the 10-year forecast of the Admin Budget less the 10-year estimate of Investment Income and reflows. Pro-rata estimates across three SCF programs are based on the 22% fixed pro rata share of the FIP's cash balance as at December 31, 2017 approved by the SCF TFC on March 8, 2018. The decision reads as "allocate USD 11.6 million from the available grant resources in the FIP Program Sub-Account to finance estimated Administrative Costs from FY19 to FY28, such that the projected, indicative amount of approximately USD 81.8 million in FIP grant resources remains available for allocation to FIP projects. This reserve amount has been reduced by USD 0.5 million approved for country engagement from January 2018.

h/ Any payments of principal, interest from loans, which are due to be returned to the Trust Fund pursuant to the Financial Procedures Agreements consistent with the pertinent SCF funding approved by the SCF Trust Fund Committee. For the avoidance of doubt, the Reflow does not include any return of funds from SCF grants or Administrative Costs, including cancelled or unused funds, or any investment income earned on SCF resources held by any MDB. The usage of reflow from MDBs are approved by the SCF TFC on March 8, 2018 to cover the shortfall in administrative expenses net of the SCF investment income. The reflows includes the commitment fee, front end fee and late payment fee.

i/ The CTF and SCF Trust Fund Committees agreed on July 20, 2018 to establish the Technical Assistance Facility for Clean Energy Investment Mobilization under the terms of the SCF.

j/ Commitments for the Technical Assistance Facility, as estimated by the CIFAU.

k/ Anticipated commitments as estimated by the CIFAU.

Annex 2: Impacts of COVID-19 on the FIP Portfolio

During this reporting round, two MDBs (IBRD and IDB) provided an update on the impact of COVID-19 on their respective portfolio.

- **IBRD FIP and DGM**

The World Bank is commissioning the study on the impacts of the COVID-19 on WB-led FIP and DGM projects, financed by the CIF E&L to provide a better understanding of how the pandemic impacted the design and implementation of the WB FIP and DGM portfolio. This report provides an in-depth portfolio analysis of World Bank (WB) implemented FIP and DGM projects during the pandemic, gathering information from documents and directly from stakeholders involved in these projects on the impacts of the pandemic during the preparation and implementation of these projects, finding trends in delays in project activities, and identifying coping mechanisms used to overcome the challenges resulting from the pandemic. Finally, this report provides recommendations for the CIF program, WB operations, donors, and other external international development partners. While the current COVID-19 pandemic has been posing an enormous challenge, it is critical to build a perspective and look at it as an opportunity to learn from the adaptation measures implemented by the projects which should be promoted beyond the pandemic.

The report is being finalized and the preliminary findings include challenges posed by COVID-19 during the preparation, implementation, and closing stages. A large majority of the COVID-19-related delays as reported in restructuring documents were due to travel restrictions and the disruption of meetings, events, and fieldwork activities following local legal restrictions to prevent the contamination of the pandemic. Countries that had fewer relative restrictions included Burkina Faso, Ghana, Mexico, and Mozambique. Other countries had lockdowns in 2021 but not in 2020, such as Lao PDR. Some had stricter lockdowns in indigenous communities, such as Brazil and Mexico. Peru had one of the strictest lockdowns globally, as well as one of the longest.

Restrictions varied in how they addressed domestic travel, international travel, meeting sizes, types of restricted activities, education, working from offices, and other day-to-day interactions. Several countries with relatively minor domestic restrictions, such as Ghana, Burkina Faso, and the Republic of Congo did restrict international travel, which impacted supply chains and the ability of international consultants to aid in project implementation.

Not all restrictions were imposed at the national level. Some regions and municipalities imposed their own COVID-19 restrictions, and in the case of many FIP and DGM projects, several indigenous organizations and NGOs had their own restrictions and policies in place to mitigate the effects of COVID-These were often more strict or more specific to the communities they worked with than national-level restrictions. These differences were especially notable in Mexico and Brazil.

Overall, the number of WB FIP and DGM projects reviewed in this report includes 30 projects across the regions, which includes 25 active projects and 5 were in the pipeline. During the pandemic, 6 projects were completed and 1 project was canceled. Of the projects that were approved and began to disburse prior to March 2020, 14 of these projects were restructured after March 2020. The data shows that out of these 14 projects, 12 projects extended their closing date, typically by 1 year. Of the 14 projects that underwent restructuring, 11 of these mentioned COVID-19 as a cause for restructuring and/or extending their closing date. Out of the restructured projects, 7 were FIP projects and 7 were DGM projects. At the start of the pandemic, 4 FIP projects were behind in their disbursement schedule, whereas in January

- **IMPACTS OF COVID-19 on IDB Projects**

In Guatemala, due to the Covid-19 pandemic, the Guatemalan government had to prioritize the approval of external resources for recovery; this put the approval of IDB operation on hold, which affected the originally planned effective date of some FIP projects.

Annex 3: FIP Projects Reporting Targets and/or Results in RY2022³⁶

Country	Project name
Brazil	Environmental Regularization of Rural Lands in the Cerrado of Brazil
	Sustainable Production in Areas Previously Converted to Agricultural Use Project (under the low carbon emission agriculture plan)
	Forest Information to Support Public and Private Sectors in Management Initiatives
	Development of Systems to Prevent Forest Fires and Monitor Vegetation Cover in the Brazilian Cerrado
	Integrated Landscape Management in the Cerrado Biome
	Investment Coordination Project
	Macauba Palm Oil Project
Burkina Faso	Decentralized Forest and Woodland Management
	Gazetted Forests Participatory Management Project for REDD+ (PGFC/REDD+)
	Climate Change Mitigation and Poverty Reduction Through the Development of the Cashew Sector in Burkina Faso (Wouol project)
Côte d'Ivoire	Forest Investment Project
	Forest Cover Recovery and Resilience Improvement Project in the Center of Côte d'Ivoire
DRC	Forest Dependent Community Support Project
	Integrated REDD+ Project in the Mbuji-Mayi/Kanangani Basins
Ghana	Enhancing Natural Forest and Agroforest Landscapes Project (+ additional financing)
	Engaging Local Communities in REDD+/Enhancement of Carbon Stocks
	Public-Private Partnership for Restoration of Degraded Forest Reserve through VCS and FSC Certified Plantations
Guatemala	Sustainable Forest Management
	Green Guarantee for Competitive Landscapes
Indonesia	Community-Focused Investments to Address Deforestation and Forest Degradation (CFI-ADD+)
	Promoting Sustainable Community-Based Natural Resource Management and Institutional Development
Lao PDR	Protecting Forests for Sustainable Ecosystem Services
	Scaling-up Participatory Sustainable Forest Management
	Smallholder Forestry Program
Mexico	Forests and Climate Change Project
	Financing Low Carbon Strategies in Forest Landscapes
	Support for Forest Related Micro, Small, and Medium-sized Enterprises (MSMEs) in Ejidos
Mozambique	Mozambique Forest Investment Project (MozFIP)
	Emissions Reductions in the Forest Sector Through Planted Forests with Major Investors
Nepal	Forests for Prosperity
Peru	Forest Investment Project
	Integrated Land Management in Atalaya, Ucayali Region
Republic of Congo	Community Agroforestry and Wood Energy Project

³⁶ This list does not include DGM projects, since DGM project results are not captured by the FIP M&R system.

Annex 4: Summary of FIP M&R Country Engagement in RY2022

Country	Submission	Response status	Constraints reported
Brazil	Submitted full report	Responded; confirmed submission	None
Burkina Faso	Submitted full report	Responded; confirmed submission	New focal point team; requested support
Côte d'Ivoire	Submitted full report	Responded; confirmed submission	None
DRC	Submitted full report	Responded; confirmed submission	None
Ghana	Pending	Responded; confirmed report forthcoming	Unable to submit report until June 2022
Guatemala	None	Responded; requested further guidance	Country has never reported and requested support.
Indonesia	Submitted full report	Responded; confirmed submission	None
Lao PDR	Submitted partial report	Responded; confirmed submission	Country only able to report on ADB project
Mexico	None	Responded; requested further guidance	All projects have now closed. CIF will provide direct support to Mexico on M&R close-out in FY23.
Mozambique	Submitted partial report	Responded; confirmed submission	Country is mainly reporting on the IBRD project.
Nepal	None	Responded; requested further guidance	Country has never reported and requested support.
Peru	None	Responded initially and then could not be reached	No report submitted
Republic of Congo	None	Responded; requested further guidance	Country has never reported and requested support.

Annex 5: Completed FIP Projects as of December 31, 2021³⁷

Project	MDB	Country	Completion Date
Forest Information to Support Public and Private Sectors in Management Initiatives	IDB Group	Brazil	September 2021
Engaging Local Communities in REDD+/Enhancement of Carbon Stocks	AfDB	Ghana	August 2021
Financing Low Carbon Strategies in Forest Landscapes	IDB Group	Mexico	July 2021
Support for Forest-Related Micro, Small, and Medium-Sized Enterprises (MSMEs) in Ejidos	IDB Group	Mexico	October 2019
Forests and Climate Change Project	World Bank	Mexico	February 2018
Emissions Reductions in the Forest Sector Through Planted Forests with Major Investors	IFC	Mozambique	July 2020

³⁷ Per the Portfolio Management data in the CCH as of December 31, 2021