

Scoping Mission Zambia Forest Investment Program (FIP)

October 5th 2015

Held in the World Bank Country Office Lusaka, Zambia with Video connection to South Africa, Washington DC and Rome

1. Background

On May 15th, 2015, the Forest Investment Programme (FIP) Sub-Committee selected Zambia as a new pilot country in addition to eight other countries (Tunisia, Bangladesh, Cambodia, Cameroon, Guyana, Honduras, Rwanda, and Uganda) to access grants for the development of their Investment Plans. The Scoping Mission for the FIP in Zambia was held in Lusaka on 5 October 2015.

2. Purpose:

The purpose of this scoping mission was to bring partners together to discuss the process and schedule for beginning preparation of the FIP process, planning for collaboration and to agree on the first joint mission.

3. Mission agenda

The GRZ appreciated the opportunity to engage in discussions about the FIP preparation process with the MDB representatives, specifically the discussion around combining the Zambia FIP Investment Plan (IP) development with the pipeline UN-REDD IP for Zambia. The following agenda was covered:

- i. Review of Procedural Next Steps for the Zambia FIP (I. Olatunji)
- ii. Presentation from Mr. Kasaro on the Government's vision for the FIP
- iii. Responses from the three MDBs
- iv. Joint Mission: preparation of TORs, timing, participants, purpose
- v. Government's decision on lead agency and division of tasks between MDBs

4. Key Items Discussed

As per the agenda, the WB made an introductory presentation on the FIP, including next steps. The GRZ through Mr. Kasaro presented the Government's overall vision for the FIP. Each of the three MDBs presented briefly on their related activities in Zambia and on how they could contribute to the Government's vision for the FIP. An important intervention was made by FAO which briefed the meeting on the status of UN-REDD activities in Zambia. The GRZ emphasized the importance that there be close coordination between UN-REDD and FIP (and eventually the Green Climate Fund (GCF), if a funding proposal is submitted by Zambia covering in part forestry issues). In addition, it was discussed and agreed that the IP should not be limited but rather wide in scope to allow for the inclusion of various funding mechanisms. Below are the major points that emerged from the meeting.

The GRZ FIP focal point also indicated his decision to request the World Bank to be the lead MDB for the preparation of the FIP IP. He also indicated the Government's preference that the \$250,000 grant be recipient-executed and not Bank-executed, two options that had been on the table.

1. **Introduction to the FIP strategic objectives**
 - a. Presentation of material covering the architecture of climate investment fund and the FIP as one of its grants;
 - b. Purposes and objectives of FIP investments including its development benefits;
 - c. Potential to use FIP IP as vehicle for leveraging other funds;
 - d. Potential and synergistic opportunities between FIP and Pilot programme for Climate Resilience (PPCR);
2. **GRZ response, update on the status of REDD+ in Zambia**
 - a. Emphasis on the Government's landscape approach;
 - b. The importance of integrated financing;
 - c. Coordinated implementation of REDD+ investments and planning;
 - d. Strengthen community-based management systems as one of the foci;
 - e. The GRZ has been actively engaged in the REDD+ readiness process with financing mainly from the UN-REDD. This work is well advanced with a draft REDD+ strategy document in place; and
 - f. The FIP process should build on the readiness plan ongoing in the country.
3. **MDB review of forest and landscape portfolio / operations in Zambia**
 - a. *Africa Development Bank (AfDB)*
 - i. The AfDB currently have no forestry-related investments in Zambia; and
 - ii. Currently engaged in the development of environmental protection programs, including with the Zambia Wildlife Authority (ZAWA) on aquaculture.
 - b. *International Finance Cooperation (IFC)*
 - i. The IFC engagement in the private sector in Zambia has been focused on agricultural sector rather than forestry sector;
 - ii. Currently considering such involvement as part of the World Bank's Zambia Integrated Forest Landscape Program (ZIFL-P); and
 - iii. The IFC also noted their engagement in renewable energy.
 - c. *World Bank (WB)*
 - i. The WB currently is assisting the Government to prepare the Zambia Integrated Forest Landscape Program (ZIFL-P), a major intervention in the forestry sector in Zambia with funding from the BioCarbon Fund (BioCF), the Global Environment Facility (GEF), and perhaps IDA; and
 - ii. The Project Concept for ZIFL-P was approved by the Bank management later the same day in a separate meeting.
4. **IP preparation roadmap**
 - a. The GRZ envisioned and expects the FIP process to fully build on and integrate with the existing REDD+ process and plans;
 - b. A roadmap for FIP preparation and proposed IP should be closely aligned with the REDD+ Strategy priorities;
 - c. The IP development would benefit from participation of the MDBs (Afdb, IFC and WB), from FAO, and from relevant bilateral collaboration;

- d. The GRZ is prepared and ready to go ahead with the process with a targeted 9-10 months timeline; and
- e. The FIP subcommittee meets in (about) November and May each year. To comply with notice and posting in advance, the IP would have to be written, consulted, technically reviewed, endorsed by the GRZ and submitted 4 weeks in advance (also with some independent technical review) for it to be considered in any of the FIP-SC meetings.

5. Key Agreements

The scoping mission participants reached agreement on the following points for advancing the FIP process in Zambia:

- i. The GRZ will be sending a formal letter to the WB and the FIP on their decision regarding identity of lead MDB including requesting the \$250,000 grant;
- ii. The GRZ will organize the carrying out of a Joint Mission with the MDBs. The WB will draft terms of reference for this mission and will consult with all the potential participants on mission details and on timing (the TORs will also need to be approved by the FIP Sub-Committee);
- iii. Technical discussions will be held on an IP outline that would accommodate both UN-REDD, FIP, GRZ expectations and needs, and possibly also other Carbon Investment Fund instruments such as the Pilot Program on Climate Resilience (PPCR) and the Scaling up Renewable Energy Programme (SREP). It would be expected that all three MDBs would participate in the Joint Mission during which they would contribute to the FIP IP;
- iv. Separately the WB will discuss with the two MDBs and with the FIP itself on the allocation of internal MDB preparation budgets; and
- v. The meeting agreed that provisionally, it is expected that the Joint Mission would take place in late January 2016. The FAO/UN-REDD+ would be invited to join the mission and discussions would be held on closely coordinating the Government's FIP preparation funds and a similar amount made available by UN-REDD for preparation of IPs for the national REDD+ strategy.

6. Next Steps

| SN | Activity | Timeline | Responsible |
|------|--|--|-----------------------|
| i. | GRZ communication to FIP on the lead MDB and request for the grant | Immediately | GRZ |
| ii. | Prepare the draft terms of reference for the first joint mission | 4 weeks within completion of scoping mission | WB, IFC, AfDB and FAO |
| iii. | Submission and approval of the ToRs by FIP Sub-committee | January/February | WB |
| iv. | Invitation to bilateral development partners to participate in the Zambia FIP process/dialogue | December 2015 | GRZ |

7. Mission Participants

| SN | Name | Title | Organization |
|----|---|--|------------------------|
| | Government of Republic of Zambia- Department of Forestry; Interim Climate Change Secretariat (ICCS): | | |
| 1 | Kasaro Deuteronomy | Mitigation Specialist and National FIP Focal Point | ICCS |
| 2 | Makumba Ignatius | Director | Department of Forestry |
| 3 | Maureen Mwale | Snr Technical Forestry | Department of Forestry |
| 4 | Moses Kaumba | Research Officer | Department of Forestry |
| 5 | Jean Mukumwa | M&E officer | IICCS |
| 6 | Diop Bamba | Representative of the AfDB | AfDB |
| 7 | Joyita Mukherjee | FIP Coordinator | IFC |
| 8 | Philippe Crête | FAO, Regional Coordinator for FAO UN-REDD | FAO |
| 9 | Gerhard Dieterle | FIP Coordinator | WB |
| 10 | Madhavi M. Pillai | Snr Natural Resources Specialist | WB |
| 11 | Douglas J Graham | Snr. Environmental Specialist & Task Team Leader for the FIP in Zambia | WB |
| 12 | Iretomiwa Olatunji | Environmental Specialist | WB |