Climate Investment Funds

Meeting of the FIP Sub-Committee
Nairobi, Kenya
March 2020

Agenda Item 3

FIP OPERATIONAL AND RESULTS REPORT

PROPOSED DECISION

The FIP Sub-Committee reviewed the document, FIP/SC.23/3, *FIP Operational and Results Report,* and welcomes the progress that has been made in advancing the work of the FIP in the pilot countries.

Table of Contents

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, it added six new countries with an indicative envelope of resources of USD 24 million each (Congo Republic, Côte d'Ivoire, Ecuador, Guatemala, Mozambique, and Nepal) and nine additional countries with no funding envelope (Bangladesh, Cambodia, Cameroon, Guyana, Honduras, Rwanda, Tunisia, Uganda, and Zambia).

2. The Operations and Results Report (ORR) of FIP, identifies key strategic issues, highlights decisions taken inter-sessionally by the FIP Sub-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 for the period January 1 to June 30, 2019 (with additional updates to September 30, 2019 on Resource Availability) as well as the results of projects under implementation for the period January 1 to December 31, 2018.

2   Strategic issues

2.1 Resource availability

4. As of September 30, 2019, FIP has a total of USD 737.7 million[1] in cumulative funding. This amount varies from month to month due to GBP 179.6 million in unencashed promissory notes[2], which will continue to be exposed to exchange fluctuations until encashed. According to the estimated schedule of anticipated commitments, encashment of all grant funding will be requested before the end of 2019.

5. Resource availability risk decreased to Medium from High during the reporting period. With an expected resource commitment of USD 107.6 million[3] in project funding, FIP has a total surplus of USD 9 million. The anticipated pipeline commitments will require USD 67.2 million in capital resources and USD 40.4 million in grant resources, resulting in a potential surplus of USD 28 million in capital funds and a potential shortfall of USD 18.5 million in grants (see Table 1)[4].

6. Table 1 summarizes FIP resources available for commitments, further detailed in Annex 2.

---

[1] Including contributions, pledges, and investment income earned.
[2] This amount represents the equivalent of USD 221 million.
[3] Including USD 102.7 million allocated to projects and an estimated USD 4.9 million in MPIS costs.
[4] Until all promissory notes are encashed, the magnitude of the shortfall and its effect on the FIP pipeline will remain uncertain.

Table 1: FIP resource availability schedule summary (September 2019, USD million)

	TOTAL	Capital	Grant
Unrestricted Fund Balance	**95.8**	**71.0**	**24.8**
Future Programming Reserves			
Admin Expenses-Reserve for FY19-28 +Admin Budget Reserve	(11.2)	-	(11.2)
Unrestricted Fund Balance After Reserves (i)	**83.6**	71	12.6
Anticipated Commitments (ii) Program/project funding and MPIS costs	**107.6**	67.2	40.4
Available Resources (i - ii)	**(24)**	3.9	(27.8)
Potential Future Resources (FY18-FY21) (iii)	**33.4**	24.1	9.3
Pledges	0.3	-	0.3
Release of currency risk reserves	33.1	24.1	9.0
Potential Available Resources (i-ii+iii)	**9.5**	**28**	**(18.5)**

2.2 Pipeline management update

7. The FIP pipeline still under development includes 10 projects (see Annex 1), nine of them to be implemented by the World Bank.

8. The CIF Administrative Unit is tracking closely the preparation of these projects in order to ensure compliance with the approval deadlines as established in the January 2017 *Pipeline Management Policy for SCF Programs (FIP)*.

9. Since the FIP pipeline has a first-come-first-served policy, and considering the current resource availability, projects submitted after December 2019 risk not being approved due to a shortage of resources.

10. This shortage may affect the preparation of the following projects:

   - Nepal: The Forests for Prosperity and DGM projects in Nepal are currently under preparation. The Forests for Prosperity project will be submitted to the FIP Sub-Committee for review and approval by the end of 2019. The DGM project in Nepal is taking longer but catching up, and an extension request will be submitted to the FIP Sub-Committee.

   - Guatemala: Submission of the DGM project is expected by the deadline, but in case of unexpected circumstances, an extension request will be submitted.

   - Republic of Congo: Preparation for FIP projects has been slower than expected due to the uncertainty of FIP resource availability and to the TIP (trafficking in persons report) restriction on funding set by the USA[5].

     Preparation of the Northern Congo Agroforestry project and the DGM project are ongoing, and WB will submit an extension request for both projects in December 2019.

     Regarding the Community Agroforestry and Wood Energy Project, efforts are currently

---

[5] The Republic of Congo made enough progress in tackling human trafficking to pass from Tier 3 to Tier 2b classification and have restrictions on funding lifted beginning October 1, 2019.

underway to determine the feasibility of embedding the available FIP funding into AfDB's preparation of related operations in the country. This was not undertaken previously due to the uncertainty of FIP resource availability and the need for AfDB to prioritize operations with verified resource availability in the Republic of Congo's pipeline development. The AfDB project preparation team is holding consultations with Ministry counterparts in November 2019 with a view toward agreeing on the optimal usage of FIP resources and submitting the FIP funding proposal to the FIP Sub-Committee by December 2019.

- Ecuador: The project preparation process has been paused. More information from the World Bank will be communicated shortly.

2.3 Monitoring and reporting

11. Results reporting for the FIP portfolio is steadily increasing in volume as the portfolio moves deeper into implementation mode. CIF receives results data from both FIP countries and MDBs as per the newly updated M&R toolkit from 2018. Countries submit a results report following their annual in-country FIP stakeholder workshop where the data is validated by in-country stakeholders. MDBs submit project level results data for all FIP projects, including data from indicators in the project results framework. The newly acquired data from MDBs has added value to the results information, adding interim results, and has helped to clarify the narratives, triangulate project progress information, and increase accuracy of data from FIP countries.

12. Over the last few years the following challenges have been uncovered in the context of annual results reporting:

- Differences in the data reported from countries and that from MDBs (for the same projects)

- Lengthy verification processes between the countries and MDBs to assure the quality of data received

- Difficulty in aggregating targets and results for core indicators, especially for the reporting theme on greenhouse gas (GHG) emission reductions/avoidance/enhancement of carbon stocks, which is complicated by FIP countries and MDBs using their own preferred calculations and methodologies

- Country data reporting or targets changing from year to year

- Limited capacity and knowledge of M&R in some countries

- Severe delays in reporting from countries (in some case, many months after deadline)

13. The CIF Administrative Unit is working on several fronts to address these issues. M&R capacity building missions to recipient countries have intensified this year to assist in setting up and maintaining in-country M&R systems. CIF's online data management system, the CIF Collaboration Hub (CCH), is currently being customized to include results data. This is expected to reduce errors in data entry and enhance data quality by providing a guiding hand for the results reporting process. The CCH will also enable safeguarding and institutionalizing the data itself. The CIF Administrative Unit has additional dedicated more M&R resources to handle the increased volume of data and manage the results reporting process.

3   Status of FIP

3.1   Portfolio overview

14.   As of June 30, 2019, USD 685.8 million have been endorsed by the FIP Sub-Committee as indicative allocations to the participating countries, totaling 53 projects included in investment plans, DGM, and the FIP Private Sector Set Aside (PSSA). Table 2 provides a summary of the portfolio status. The portfolio approved by the FIP Sub-Committee is expected to leverage USD 914.7 million in co-finance.

Table 2: Overview of FIP portfolio (USD million)

	Indicative Portfolio Allocation				Approved funding		Disbursement (cumulative)
	TOTAL	IP	DGM	PSSA	Committee	MDB	
FIP Amount (in USD M)	685.8	593	75.5	17.3	537.2	532.7	232
Number of projects	53	35	15	3	40	39	36

Note: Amounts include Project Preparation Grants (PPGs).

15.   Figure 1 shows cumulative funding approvals continue to increase. According to current estimates, the entire FIP portfolio should be approved by the FIP Sub-Committee before the end of 2020.

Figure 1: FIP funding approval rates by fiscal year (projections until FY20)
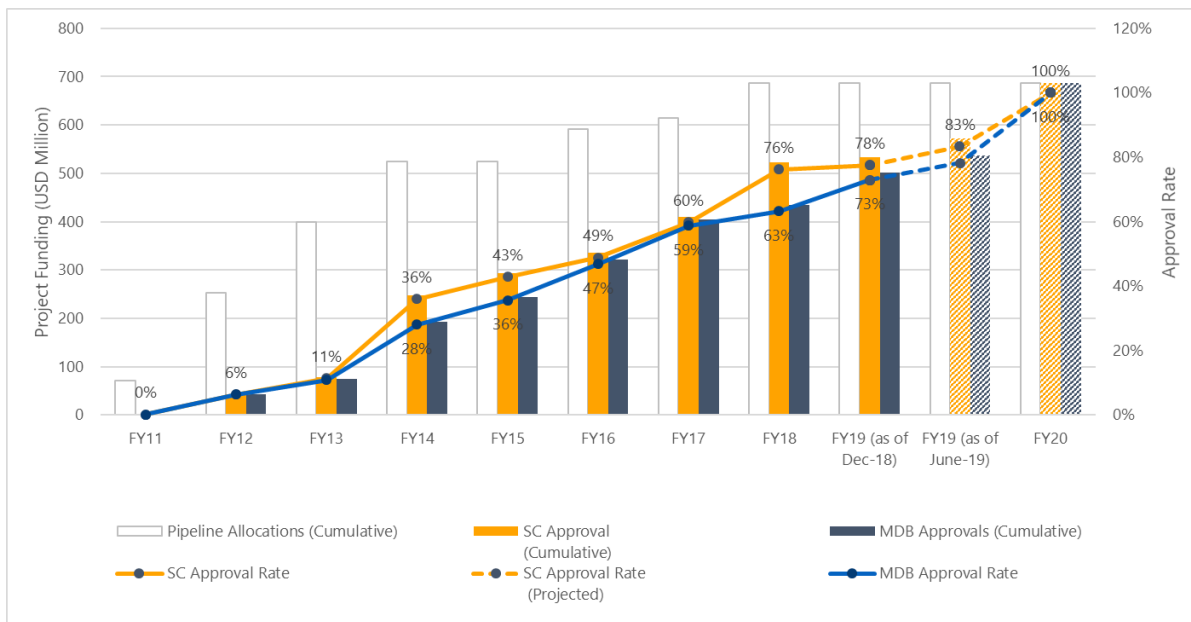
Note: Expected MDB approval dates are not available for many projects that are still under design. This explains why the expected MDB approval rate in the chart does not increase in the coming years. MDB board approval must be obtained within nine months after FIP Sub-Committee approval for public sector projects.

16.   As Figure 2 shows, 26 percent of the FIP portfolio has yet to reach the stage of MDB approval and a significant part of the portfolio is still in the early stage of implementation with 30 percent of projects approved by the MDBs in the last two years.

Figure 2: Maturity of FIP portfolio in relation to MDB approval date

17. Figure 3 shows the approval levels of endorsed FIP funding by pilot country and the DGM Global Project. Nine pilot countries have achieved 100 percent FIP Sub-Committee approval of their indicative funding, and eight of those also have their entire portfolio approved by the respective MDBs.

18. Figure 4 presents the distribution of FIP Sub-Committee-approved projects by region, MDB, sector (public or private), and source of co-finance. The majority of FIP funding is split evenly between Latin America and Africa. The World Bank implements most of the FIP Sub-Committee-approved portfolio. Private sector projects represent only 5 percent of funding. The co-finance ratio is 1:1.7, with MDBs and beneficiary governments being the main sources of co-financing (representing 48 and 43 percent, respectively).

Figure 3: FIP funding approval of indicative allocations by country
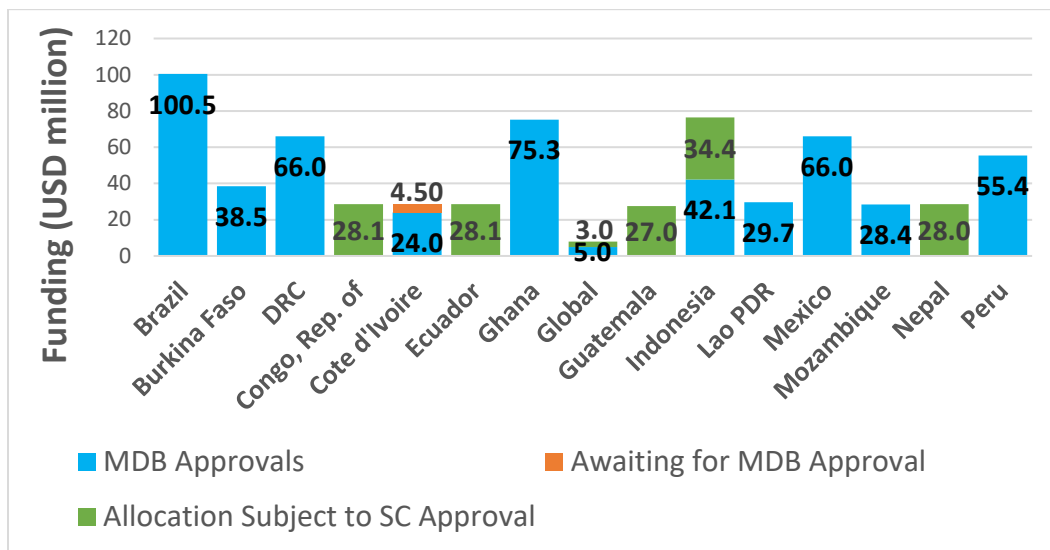
Figure 4: FIP portfolio overview (approved by FIP Sub-Committee)

By region

- Other, 5.00, 1%
- LAC, 222.82, 42%
- Asia, 72.33, 13%
- Africa, 237.09, 44%

By MDB

- IFC, 5.53, 1%
- ADB, 30.72, 6%
- IBRD, 358.01, 67%
- AFDB, 67.57, 12%
- IADB, 75.42, 14%

By sector

- Private Sector, 25.82, 5%
- Public Sector, 511.42, 95%

By co-finance

- Bilateral/Others, 56.7, 6%
- MDB, 435.6, 48%
- Government, 392.7, 43%
- Private Sector, 29.7, 3%
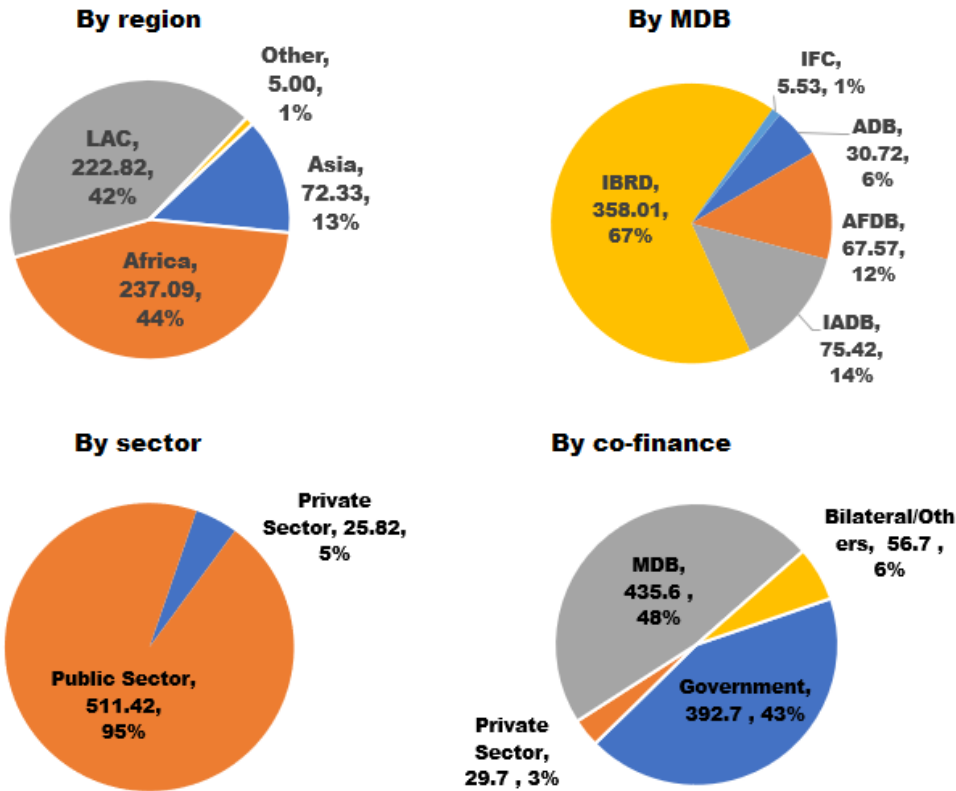
19. The thematic focus of the portfolio of FIP Sub-Committee-approved projects, reflects FIP's objective of working to address the drivers of deforestation and forest degradation. Thus, the largest portion of funding focuses on landscape approaches, followed by sustainable forest management and capacity building (see Figure 5).

Figure 5: Thematic focus of FIP Sub-Committee-approved projects

- Forest Monitoring /MRV 8%
- Capacity Building/ Institutional Strengthening and Governance Reform 18%
- Landscape Approaches 43%
- Sustainable Forest Management 21%
- Indigenous Peoples / Local Communities 10%
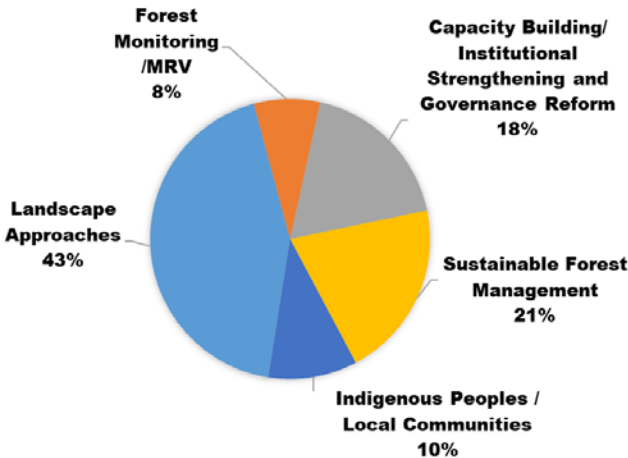
3.2 Portfolio updates

3.2.1 Project approvals

20. During the reporting period, one project in Côte d'Ivoire was approved by the FIP Sub-Committee for a total of USD 4.5 million, and two projects were approved by their respective MDB boards totaling USD 31.6 million (see Table 3). Box 1 provides a highlight of the DGM project in Cote d'Ivoire.

Table 3: FIP project approvals (January – June 2019)

Country	Project Title	MDB	Project Funding* (USD M)	Approval Date
Côte d'Ivoire	Dedicated Grant Mechanism Cote d'Ivoire	WB	4.5	March 2019
TOTAL APPROVED BY FIP SUB-COMMITTEE			**4.5**	
Peru	Integrated Land management in Atalaya, Ucayali Region	WB	12.2	January 2019
Ghana	Additional Financing for Ghana Forest Investment Program - Enhancing Natural Forest and Agroforest Landscapes Project	WB	19.4	May 2019
TOTAL APPROVED BY MDB BOARD			**31.6**	

* Excluding PPG that was approved in previous reporting periods

3.2.2 Project pipeline tracking and projected submissions

21. The CIF Administrative Unit keeps track of the status of the endorsed portfolio to monitor project approval delays at two stages: 1) time elapsed between investment plan endorsement and FIP Sub-Committee approval and 2) time elapsed between FIP Sub-Committee approval and MDB approval (see Table 5).

22. Regarding projects pending Sub-Committee approval, as of June 2019, three projects in the pipeline have exceeded the agreed benchmark of 24 months or more: the second phase of the DGM Global project and two projects in Guatemala.

23. The DGM global project was endorsed by the FIP Sub-Committee on October 2015, and the pending project is an extension of the ongoing DGM global project implemented by World Bank with Conservation International. The project will be submitted for FIP Sub-Committee approval by December 2019.

24. The World Bank project, Forest Governance and Livelihoods Diversification in Guatemala, requested an extension until October 2019, and the Guatemala DGM project is expected to be submitted for FIP Sub-Committee approval prior the deadline date. In case of any project preparation delays, an extension request will be submitted.

Box 1: Preparing for the DGM project in Côte d'Ivoire

Photo: Meerim Shakirova

Project: Côte d'Ivoire DGM

FIP Financing: USD 4.5 million

Implementing MDB: World Bank

Objective: To strengthen the capacity of targeted local communities to participate in REDD+ processes at the local, national, and global levels

The DGM for Côte d'Ivoire was prepared through a highly participatory process that was initiated by the government and engaged 1,489 participants through consultations with communities in the Center and South-West regions.

The government recognized that reducing deforestation and forest degradation required adopting a forest co-management approach. This would empower local communities to play an active role in forests management and allow them to benefit from profits generated from sustainable management of these forests. A new governance structure was established to organize communities' direct involvement in the selection of DGM sub-committees and the DGM National Steering Committee. The process included the following steps:

- Step 1: Selection of FIP priority intervention sites
- Step 2: Organization of forests communities into Community-Based Organizations for Forests Co-Management (CBOFMs) and DGM local committees
- Step 3: Registration and formal recognition of the CBOFMs
- Step 4: Creation of a Forest Co-Management Union (U-CBOFM), which acts as the DGM National Steering Committee
- Step 5: Registration of the U-CBOFM at the national level
- Step 6: Development of the DGM project

Once the priority gazetted forests for FIP interventions were identified, the government began raisingcommunity awareness and conducting consultations at the local level in November 2016. Once the U-CBOFM/National DGM Steering Committee was officially registered in June 2018, the activities to develop the DGM project started, including the process to select the National Executing Agency (CARE International).

25. Table 5 indicates that, as of June 2019, seven projects under preparation in the Republic of Congo (3), Nepal (2) and Ecuador (2) are taking between 16 to 24 months since IP endorsement to receive FIP SC approval. See Section 2.2 for details on the preparation status of these projects.

Table 5: Projects pending approval by FIP Sub-Committee(left) and projects pending approval by MDB (right) (USD million, as of June 30, 2019)

IP Endorsement to SC Approval Time Lapse			SC Approval to MDB Approval Time Lapse		
Time Elapsed	# projects	Funding	Time Elapsed	# projects	Funding
< 16 months	0	0	< 6 months	1	4.5
16-24 months	7	84.1	6-9 months	0	0
> 24 months	3	18.6	> 9 months	0	0
TOTAL	10	104.1	TOTAL	1	4.5

26. As of June 2019, there was only one project pending MDB approval: the DGM project in Cote d'Ivoire. It was approved by the FIP Sub-Committee in March 2019 and is expected to be approved by the World Bank Board in January 2020.

27. After exploring options with IFC, World Bank, and ADB, the government of Indonesia informed the CIF Administrative Unit of its decision to not proceed with the Forest Bond project (totaling USD 34.4 million) for 2020. It is no longer included in the FIP portfolio pipeline.

28. A complete list of projects in the FIP pipeline and their expected submission date for FIP Sub-Committee approval is presented in Annex 1.

3.2.3 Disbursements and implementation updates

29. The cumulative project disbursements by MDBs totals USD 232 million[6], associated with 36 projects under implementation. The current rate of portfolio disbursement is 44 percent of funding for MDB approved projects (see Figure 6).

30. Detailed disbursement data per project is presented in Annex 3 and a more detailed analysis is included as part of the CIF Disbursement Report.

Figure 6: FIP project disbursements by reporting period and fiscal year
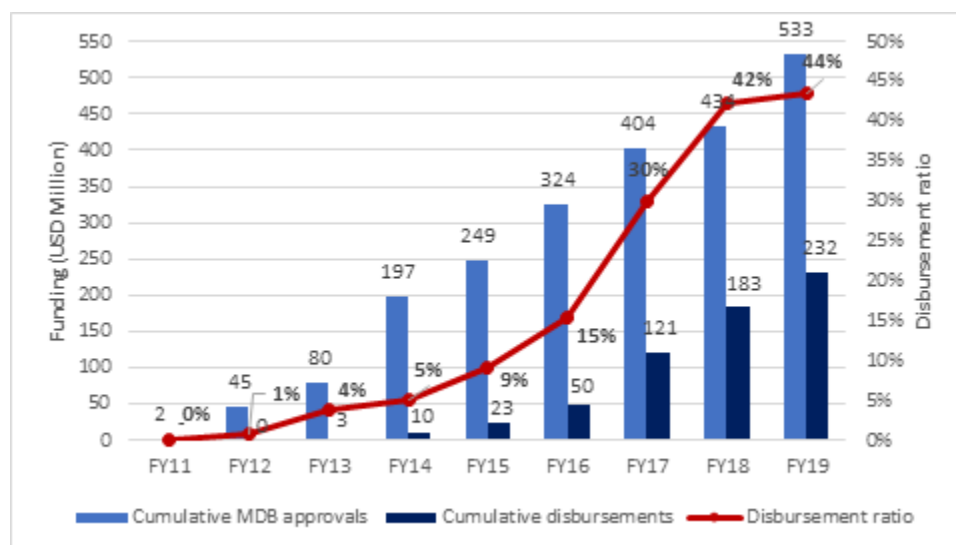
---

31. Out of the eight original pilot countries, Mexico is the most advanced with the highest disbursement rate (80 percent, see Table 6). Its largest project (Forests and Climate Change project for USD42 million) closed last year.

32. Peru has the lowest disbursement rate of the original pilot countries due to serious delays in reaching the approval and implementation stages of the two projects endorsed in the investment plan (one approved in September 2018, the other in January 2019). Current disbursement corresponds to the DGM project which has a 70 percent disbursement level and is set to close in March 2020.

33. Even though the disbursement level of the FIP portfolio in Indonesia continues to be low, its total disbursement rate has almost doubled in the past six -months. Both the World Bank and ADB are working closely with the government of Indonesia to continue improving project implementation.

34. Brazil's low level of disbursement is mainly due to budget constraints set by the government in December 2016 due to the economic crisis the country faced at that time. The government established a ceiling for public spending by all public entities, including international donations implemented by the government. The project, Environmental Regularization of Rural Lands in the Cerrado of Brazil, implemented by the World Bank, has been flagged under two implementation risk criteria: it has been effective for more than 36 months with less than 20 percent of approved funds disbursed, and it is within 15 months of closing with less than 50 percent of approved funds disbursed. The project will be restructured by partially cancelling USD8 million, and the World Bank and government teams are working on resolving the issue of national budget constraints that will continue to affect disbursement rates.

35. The Decentralized Forest and Woodland Management Project in Burkina Faso continues to be flagged under implementation risk for being within 15 months of closing with less than 50 percent of approved funds disbursed. The government is preparing a request for a 12-month extension. In order to improve implementation, the World Bank is organizing a mission every three months and will add an incentive for the best performing participating Communes, with extra allocation to help the most efficient and committed Communes add new activities.

36. Two of the additional six countries added to FIP in 2015 have projects under implementation and disbursing (Côte d'Ivoire and Mozambique). The case of Mozambique is noteworthy as it has achieved a disbursement rate of 40 percent in the two years since its portfolio was MDB-approved. The MozFIP project is part of a larger Integrated Landscape and Forest Management Portfolio, a long-term partnership between the World Bank that reflects the government's strong commitment towards sustainable, integrated, and inclusive development through improved management of natural resources.

Table 6: Disbursement levels by country

COUNTRY	DATE OF IP ENDORSEMENT	MDB APPROVED PORTFOLIO		DISBURSEMENT (USD M)
		# PROJECTS	AMOUNT (USD M)	
DRC	Jun 2011	3	66	43.2 (66%)
Mexico	Oct 2011	4	66	52.4 (80%)
Lao PDR	Jan 2012	3	29.8	19.0 (64%)
Brazil	May 2012	8	100.5	26.3 (26%)
Burkina Faso	Nov 2012	4	38.5	16.5 (43%)
Ghana	Nov 2012	5	75.3	42.0 (56%)
Indonesia	Nov 2012	3	42.1	10.0 (24%)
Peru	Oct 2013	3	55.5	5.3 (10%)
Global	Oct 2015	1	5	4.5 (90%)
Cote d'Ivoire	Jun 2016	2	24	2.2 (9%)
Mozambique	Jun 2016	3	28.4	10.5 (40%)

37. A detailed update on the implementation status of FIP projects is included in the FIP Countries Portfolio document.

4   Cross-cutting themes

4.1 Evaluation and learning

38. The following two E&L studies were recently published on private sector and sustainable forests:

39. *Financing Forest-related Enterprises: Learning from the Forest Investment Program and Other Initiatives* conducted by IIED. This study identifies key barriers and risks that impact leveraging private finance and examines how to overcome these barriers to increase the scale of private sector investments in sustainable forests, with an emphasis on small and medium-scale enterprises (SMEs). For more information, see the blog, summary brief, and full report.

40. *Towards Large-Scale Commercial Investment in African Forestry* led by the AfDB and WWF Kenya. This study assesses the current market potential for commercial forestry in Africa and informs the strategic development of a new platform to facilitate future private sector investments in this area. Following an in-depth case study analysis of three innovative investment models, the study considers the strengths and weaknesses of 10 potential investment vehicles and analyzes the prospective development co-benefits of the sub-sector. For more information, see the blog, summary brief, and full report.

41. A total of six studies focused exclusively on FIP are being funded by the E&L Initiative. Annex 4 lists all FIP-related activities completed during the reporting period as well as those pending completion.

4.2 Gender

42. As requested by the FIP Sub-Committee, this operational and results report has shifted its gender scorecard reporting to reflect trends in the investment plan (IP) and project portfolios over time in the area of gender 'quality at entry' (i.e., gender integration at design stage). This form of reporting stands in contrast to the previous practice of reporting only on IPs and projects approved during the current reporting period.

43. Table 7 shows an increase in sector-specific gender analysis and women-specific activities, coupled with a percentage decrease for the total FIP IP portfolio in presence of sex-disaggregated monitoring indicators compared to the baseline, even though the absolute figures increased (i.e., from 7 to 8 IPs with sex-disaggregated indicators during the Gender Action Plan period, and from 7 to 15 IPs cumulatively). Still, the percentage decrease suggests a need for stronger outreach to IP preparation teams regarding gender best practice approaches to monitoring. For FIP projects (Table 8), there are performance increases across all three scorecard indicator areas (i.e., presence of sector-specific gender analysis, women-targeted activities, and sex-disaggregated monitoring indicators) since the June 2014 baseline at the start of the CIF Gender Action Plan.

Table 7: Gender scorecard indicators for FIP investment plans (IPs) (as of June 2019)[7]

Indicators	Gender Action Plan (GAP) Baseline[8] June 2014 % (n)	GAP Phases 1 & 2 (July 2014 -June 2019) % (n)	Cumulative: (FIP Program Inception to June 2019) % (n)[9]
Sector-specific gender analysis	75% (6 of 8 IPs)	100% (13 of 13 IPs)	90% (19 of 21 IPs)
Women-targeted activities	88% (7 of 8 IPs)	92% (12 of 13 IPs)	90% (19 of 21 IPs)
Sex-disaggregated M&E indicators	88% (7 of 8 IPs)	62% (8 of 13 IPs)	71% (15 of 21 IPs)

---

[7] The table represents cumulative data for FIP Trust Fund Committee-approved investment plans (IPs).
[8] All baseline figures are as of June 30, 2014.
[9] No new FIP Investment Plans were approved during the current reporting period (January 1 to June 30, 2019).

Table 8: Gender scorecard indicators for FIP projects (as of June 2019)[10]

Indicators	Gender Action Plan (GAP) Baseline[11] June 2014 % (n)	GAP Phases 1 & 2 (July 2014 -June 2019) % (n)	Cumulative: (FIP Program Inception til June 2019) % (n)[12]
Sector-specific gender analysis	53% (8 of 15 projects)	76% (19 of 25 projects)	68% (27 of 40 projects)
Women-targeted activities	73% (11 of 15 projects)	80% (20 of 25 projects)	78% (31 of 40 projects)
Sex-disaggregated M&E indicators	73% (11 of 15 projects)	80% (20 of 25 projects)	78% (31 of 40 projects)

44. In March 2019, the IDB, together with Government of Mexico's national forest agency CONAFOR and CIF, organized a Latin America regional exchange on gender and sustainable forest management. Over 40 representatives from Brazil, Ecuador, Guatemala, Peru and Mexico came to the exchange in Chetumal, Mexico, which included field visits to productive forest enterprises at the *ejido* level in Quintana Roo state. They visited a cooperative that produces tea and flour from the *árbol del ramón* seed and Tres Garantías, a women-run carpentry business that produces beekeeping boxes from legal timber in the area[13]. The exchange also included a one-day workshop featuring guest speakers and country representative panels on women's participation in value chain development, forest conservation and management, and setting country commitments and action steps.

45. The regional exchange also provided an opportunity to disseminate results from the first phase of a CIF E&L study undertaken by the World Bank's Mexico Country Office in collaboration with the EMBED Mind, Behavior, and Development Unit of the World Bank. It investigates behavioral norms around women's participation in forest programs, particularly in marginalized and indigenous localities in Yucatan and Oaxaca states. The second phase of the study is now underway, with a randomized trial of communications outreach mechanisms designed to test whether there is an increase in women's program application rates for DGM grant support to productive forest project activities through either use of increased outreach and simplified procedures, or through use of these complemented with additional behavioral elements to the messaging that appeal to social norms, gender identity and sense of self-efficacy. Lessons learned will have implications for improving gender outcomes for women in future scale-up of forest programs by the Government of Mexico.

---

[10] The table reports quality at entry data for FIP Trust Fund Committee-approved projects approved through June 30, 2019.

[11] All baseline figures are as of June 30, 2014.

[12] During the current reporting period (January 1 to June 30, 2019) only one FIP project was approved. This project scored positively across all three gender scorecard indicators.

[13] These initiatives are further described in the video available at: https://www.youtube.com/watch?v=tFQXc8uE45Y.

Participants of the Latin America regional exchange on gender and sustainable forest management, March 2019 in Chetumal, Mexico

46. The World Bank, PROFOR, FCPF, and CIF collaborated in production of a working paper on good practices and entry points in gender and sustainable forest management: *Taking Action on Gender Gaps in Forest Landscapes.* The paper draws lessons from a diverse range of projects, including the FIP Côte d'Ivoire program which calls for half of sub-projects to be targeted to women. The paper was presented at the World Bank Land and Poverty Conference in Washington, D.C. in March 2019.

47. The AfDB's Gender, Women, and Civil Society Department, in collaboration with the Climate Change and Green Growth Department IUCN, and CIF AU began implementing the AfDB-CIF Inclusive Climate Action Initiative. It aims to support the concrete integration of gender considerations into future CIF projects and programming implemented by AfDB. It includes two case studies on gender mainstreaming good practices in CIF projects, the production of knowledge resources on gender and climate change in Africa, and a CIF-AfDB Gender and Climate Change training program that was be held in November 2019. One of the case studies centers on the gender-responsive design and implementation experience of the FIP Ghana Public Private Partnership for the Restoration of Degraded Forest Reserves. Field research for the case study was implemented in June 2019, and dissemination is expected for later in the year.

4.3 Risk Management

48. Implementation risk for FIP increased to High from Medium as six projects (out of 39 MDB approved projects) representing USD 109 million (20 percent) of approved funding have been flagged for this risk. The program's implementation risk score had been Medium for the previous four semiannual reporting cycles.

49. Currency risk for FIP remained High and the unrealized decline in the value of FIP's uncashed promissory notes increased to USD 57 million from USD 43 million as reported in the previous reporting cycle. The program's currency risk score has been High for the last five semiannual reporting cycles.

50. Resource availability risk decreased to Medium from High during the reporting period. The shortfall in available grant resources declined to USD 28 million from USD 29 million, but FIP now has a USD 4 million surplus of capital resources rather than a USD 21 million shortfall as reported during the previous reporting cycle. The program's resource availability risk score had been High for the previous four semiannual reporting cycles. Expected losses associated with FIP's public and private sector loan portfolios total USD 15 million and the credit risk associated with the program is Medium.

51. Detailed information on assessments of the more significant risk exposures facing the FIP and the criteria for establishing risk levels can be found in the FIP Risk Report.

5 Results

5.1 Scope

52. Results data presented in this section of the report correspond to the period January 1 to December 31, 2018[14], also referred to as reporting year 2018 (RY2018). The complete list of projects reporting results is in the FIP Results Supplementary Information document.

53. These results cover a total of 33 projects (21 under FIP investment plans, nine under DGM, and three under FIP PSSA) totaling USD 397.4 million in FIP funding[15].

54. The results of the FIP portfolio should be interpreted in the context of the portfolio maturity. In RY2018, more than half of the portfolio (56 percent) of FIP projects had not yet been MDB approved or were in 0-2 years since MDB approval, adding up to a relatively young portfolio, as shown in Figure 2. Only one project was completed in RY2018.

5.2 Reporting methodology

55. The FIP focal points within each pilot country are responsible for collecting results data on an annual basis. They ensure data are validated by stakeholders at an annual in-country FIP stakeholder workshop and submit a final results report to the CIF Administrative Unit by June 30 of the following year. Results reports submitted must adhere to the revised FIP M&R toolkit[16], which describes the reporting requirements. MDBs must also submit project-level results based on the project results frameworks. The data submitted by MDBs have provided additional information on the general progress of projects, successes and challenges, and reasons for implementation delays.

---

[14] Date from MDB data varies depending on their monitoring calendar. MDB data usually includes updated information until November or December 2018.

[15] FIP countries that reported results in RY2018 were Mexico, Brazil, Burkina Faso, Ghana, DRC, Mozambique, Indonesia and Lao PDR.

[16] The toolkit consists of guidance and reporting tools to assist FIP countries in providing annual reporting to the FIP Sub-Committee on progress in implementing their endorsed investment plans.

5.3 Global overview

12.3 million tCO₂e reduced since FIP start

56.   RY2018 marks the first time most FIP countries have reported on their progress achieving **GHG emission reductions/avoidance/enhancement of carbon stocks** [17]. Since the start of FIP implementation, 43 percent of cumulative targets have been met, with a total of 12.3 million metric tons of carbon dioxide equivalent (MtCO₂e) reduced (see Table 8). The key country contributing to these results is DRC, achieving 116.2 percent of the target with 4.9 MtCO₂e reduced so far. Aggregating targets and results for this reporting theme is challenging because FIP countries use their own preferred calculations and methodologies.

30.2 million ha covered since FIP start, equivalent to the size of Philippines

57.   In RY2018, FIP investments reported 23.1 million hectares (ha) [18] covered under sustainable land management practices or other FIP interventions, bringing total cumulative **area covered** to 30.2 million, an area slightly larger than the size of Philippines (see Table 9). This cumulative progress represents of 163.3 percent toward the target of 18.5million ha. Brazil is the main contributor with almost 23 million ha covered since FIP implementation started, mostly through the landholdings registered in the Rural Environmental Register under the FIP/CAR Project[19].

1.3 million people have benefited directly from the FIP

58.   In RY2018, the total cumulative number of people receiving **livelihood co-benefits** reached 1.3 million or 87.5 percent of the collective targets of 1.5 million beneficiaries[20] (see Table 9). Burkina Faso is the main contributor, having achieved a cumulative reach of 318,801 direct beneficiaries, most of whom generated income from sustainable resources related to the gazetted forests in the project implementation site.

Table 9: Global overview of FIP targets and actual results (as of December 31, 2018)[21]

	Cumulative targets	RY2018 results	Cumulative results	Cumulative progress toward target (%)
Theme 1.1: GHG emission reductions or avoidance/ enhancement of carbon stock (MtCO2e)	28.7	12.3	12.3	42.9
Theme 1.1: Area covered (ha)	18,474,197	23,095,541	30,172,388	163.3
Theme 1.2: Livelihood co-benefits (people)	1,450,441	685,716	1,268,512	87.5

---

[17] Theme 1.1 results data is reported at projects' mid-term and completion. Countries reporting GHG emission reductions in RY2018 are: Burkina Faso, DRC, Ghana, Lao PDR and Mexico,

[18] Countries reporting area covered in RY2018 are: Brazil, Burkina Faso, DRC, Ghana, Indonesia, and Lao PDR.

[19] Environmental Regularization of Rural Lands in the Cerrado of Brazil

[20] Per the revised definition included in the 2018 FIP M&R toolkit: **Direct beneficiaries** are people receiving monetary or non-monetary benefits as a direct result of activities associated with FIP-supported projects.

[21] These targets correspond to the approved FIP projects in the reporting period, and the total target is expected to change as more projects are approved.

59. FIP countries are making good progress toward protecting **biodiversity** by supporting efforts to reduce forest loss and enhance knowledge about the forest resources. In Brazil, FIP supported the scientific identification of species in the Cerrado and the development of a system to map deforestation and the susceptibility of vegetation to burning. In Burkina Faso, FIP supported the recovery of degraded land and started the implementation of a Payment for Environmental Services (PES) scheme. In DRC FIP supported the creation of a seed bank, the domestication of endangered plant species, and the protection of species in the mangrove marine park. In Indonesia, FIP supported the creation of forest fire care community groups to avoid habitat loss.

60. Progress on **forest governance** has focused on strengthening decision-making processes, ensuring participation of all stakeholders and enhancing forest law enforcement. In Indonesia, the participation of all stakeholders has been ensured to develop forest management plans. In Mozambique, the preparation process for developing the Complaints and Dialogue Mechanism was completed, including the design of a registration and information management system and the approval of the communication strategy for its dissemination. In Lao PDR, the Smallholder Forestry Project strived to include women in all meetings and decision-making.

61. The FIP portfolio continues to make progress on **tenure** issues by supporting countries on defining rights to use, control, and transfer land and forest resources. In Brazil, FIP contributed to the systematization of primary data on land tenure. In Burkina Faso, FIP contributed to raising awareness about rural land tenure protocols. In Ghana, FIP promoted Tree Tenure and Benefit Sharing arrangements. In Mozambique, FIP contributed to the Systematic Land Regularization as a solution to land tenure insecurity.

62. In terms of **capacity development**, the FIP portfolio saw great progress in the areas of trainings on forest information, law enforcement, governance, land tenure, and forest monitoring. In Brazil, FIP supported the implementation of a rural environmental cadaster (CAR) and provided technical assistance and trainings to rural owners on sustainable agriculture. In Lao PDR, FIP supported a legislation review about registering plantation forest and the development of an operational logging and degradation monitoring system. In Indonesia, FIP facilitated training for the heads of the Forest Management Units. In Mexico, FIP contributed to strengthening the national MRV system for REDD+. In Mozambique, FIP strengthened stakeholders' capacity on several themes, including management of forest information, forest law enforcement, and community governance.

5.4 Key results comparison (RY2017 to RY2018)

63. As shown in Figure 7, the target for theme *1.1 GHG emission reductions/avoidance/ enhancement of carbon stocks* has increased from 15.7 MtCO2e in RY2017 to 28.7 MtCO2e in RY2018. This increase is due to the following reasons:

- Burkina Faso has been the key contributor to this change. Burkina Faso's target reported in previous years was 2 MtCO$_2$e, but in RY2018, MDBs reported the target as 11.8 MtCO$_2$e based on improved technical accuracy.

- Mexico's target reported in RY2018 corresponds to the actual reduced GHG emissions. Last year, it was reported as 1 MtCO$_2$e, but this corresponded to a percentage (0.95 percent of the baseline) rather than the actual GHG reduced emissions. This year, the target has been reported as the actual reduced emissions during project implementation (2012-2018) of 6.6 MtCO$_2$e.

64. The total target area covered under FIP investments has been revised downward to 18,474,197 ha (RY2018) from 36,058,540 ha (RY2017). The main contributing factor is that Mexico did a technical adjustment to the reported targeted area covered. In previous years, the target area covered was 20.3 million ha, and in RY2018 -once the Forests and Climate Change project was completed-, there were 1.9 million ha reported as the actual target area covered by FIP interventions[22]. Other contributing factors to the change in area covered were: Lao PDR revised the target for area covered in the SUFORD-SU project, increasing it by 730,000 ha. Brazil also increased the target by 100,000 ha compared to RY2017.

65. Despite the overall downward revision in the targeted area covered, the accumulated results achieved by the FIP portfolio are 30,172,389 ha, representing 163 percent of the total target. The main contributing country to this is Brazil, as the cumulative results in terms of area covered under sustainable practices until the end of RY2018 were 22,990,079 ha, equivalent to three times the target set of 7,653,472 ha.

Figure 7: Trends in FIP targets and actual results over time (RY2014-RY2018)

---
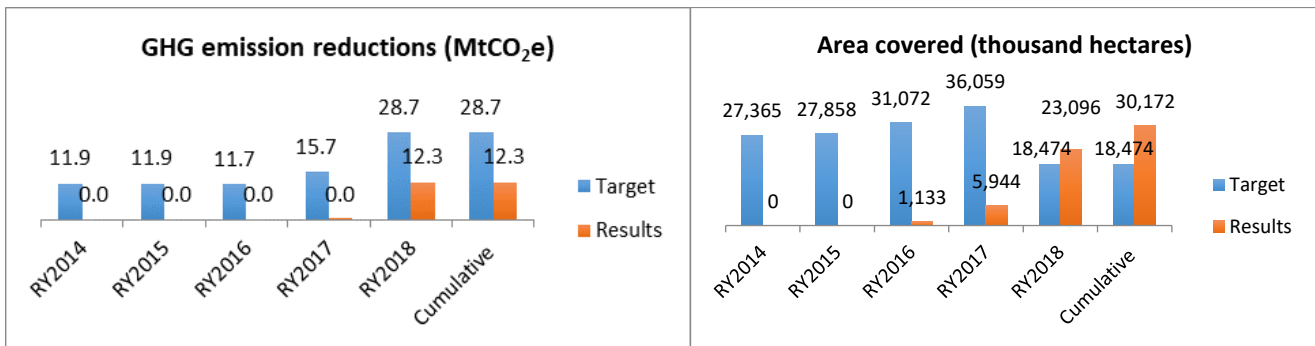
[22] The target previously reported, 20.3 million ha corresponded to the aggregate area of the 5 Mexican states where FIP was implemented. Mexico's current target area covered of 1.9 million ha corresponds to the target area under intervention for the World Bank's project Forests and Climate Change project.

Livelihood co-benefits (thousand beneficiaries)
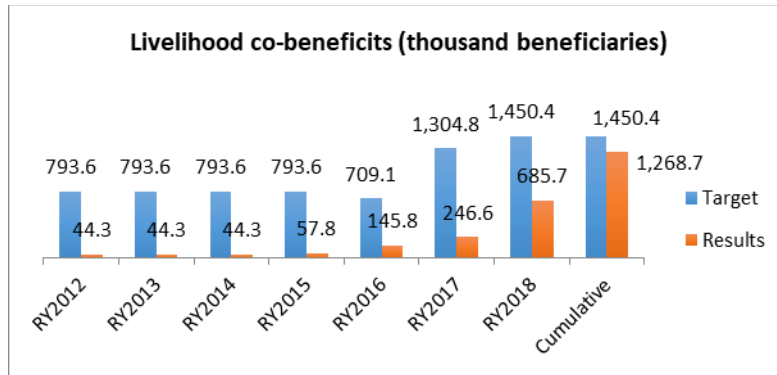
66. From RY2012 to -RY2018, over 1.2 million people received benefits through the FIP interventions, which represents 87.5 percent of cumulative targets achieved and a significant jump from the cumulative results as of RY2017, when 42 percent of the cumulative target was achieved[23]. Total livelihood co-benefits target increased from 1.3 million beneficiaries in RY2017 to 1.5 million beneficiaries in RY2018. This is mainly due to new projects participating in results reporting for the first time in RY2018, but also some ongoing projects reporting on particular indicators for the first time in RY2018. These include Burkina Faso's AfDB project[24], which reported 288,960 people generating some type of income related to sustainable resources from the gazetted forests in the project implementation site, and DRC's World Bank project[25], which reached 110,000[26] people with monetary and non-monetary benefits in RY2018.

67. Comparing progress of FIP countries against targets from one reporting year to the next is challenging for the following reasons:

• Moving targets: Some FIP projects change indicator targets from one reporting year to the next[27].

• New additions: The FIP portfolio volume increases each year as new projects are added.

---

[23] FIP Operations and Results Report. FIP/SC.21/3 December 29, 2018
[24] Gazetted Forests Participatory Management Project for REDD+ (PGFC/REDD+)
[25] Improved Forested Landscape Management Project
[26] This was calculated by the study conducted by MULTIMA and based on a sample of 1,650 households conducted in the first half of 2018.
[27] This is due to a project re-structuring or extension or to improved estimation of a project's intended scope following updated information on feasibility and/or adjustments to project implementation approaches based on adaptive management principles.

5.5 Results by reporting theme

5.5.1 Category 1: Common themes

5.5.1.1 Theme 1.1: GHG emission reductions or avoidance/enhancement of carbon stocks and area covered (ha)

68. Most countries reported GHG emission reductions in RY2018 for the first time. This was done at project completion in Mexico and mid-term in Burkina Faso, DRC, Lao PDR, and Ghana. The methods used for calculating GHG emission reductions achieved and reported vary from one country to another. In Ghana, the carbon assessment was prepared in accordance with the MRV[28] system for Ghana REDD+ initiatives. Geographical Information System (GIS), Remote Sensing, and Ground inventory were used to estimate the carbon stock changes for FIP intervention areas. Lao PDR used the Green Climate Fund Results-Based-Payment Pilot Program methodology for the SUFORD-SU project, with reference period 2005-2014 and results period 2015-2018. Burkina Faso and the Smallholder Forestry Project in Lao PDR used the Ex-Ante carbon balance tool. Other countries estimated emissions reductions through standardized calculation methodologies and with field data collected.

69. In RY2018, five FIP countries reported results achieved on GHG emission reductions/avoidance/enhancement of carbon stocks in the form of tons of carbon (tCO2e) and six countries reported results achieved on area covered (ha), as shown in Table 10. GHG emission reductions are measured at mid-term and completion.

70. **Brazil's** performance was impressive in RY2018, with results reaching three times the target in terms of area covered. Since the start of Brazil's FIP investment plan implementation, sustainable land management and low carbon agricultural technologies have been adopted on 22,990,079 ha, the bulk of which was reported in RY2018 (19,543,789 ha). This rapid increase is due to the CAR project adding two more states (for a total of 11) and new municipalities to the scope of the project. In addition, the fees for CAR enrollment were much lower in RY2018 than in RY2015 and RY2016, which led to new registrations of rural properties in the CAR. Also, there are 733,875 ha (cumulative since project start) where Low Carbon Agriculture Technologies were adopted as a result of the FIP/ABC Project[29], which includes the recovery of 312,757 ha of degraded pastures in about 1,957 properties in the Brazilian Cerrado region.

---

[28] Monitoring Reporting and Verification
[29] Sustainable production in areas converted to agricultural use (based upon the ABC plan)

Table 10: Targets and actual results by country on Theme 1.1: GHG emission reductions/avoidance/enhancement of carbon stocks and area covered

(as of December 31, 2018)

Country	GHG emission reductions			
	Target 1* (MtCO$_2$e)	RY2018 results (MtCO2e)	Cumulative results (MtCO$_2$e)	Cumulative progress towards target (%)
Brazil	Not reported			
Burkina Faso	11.8	1.6	1.6	13.3
DRC	4.2	4.9	4.9	116.2
Ghana	1.4	0.6	0.6	45.2
Indonesia	0.8	0	0	0
Lao PDR	2.0	1.8	1.8	93.3
Mexico	6.6	3.4	3.4	51.9
Mozambique	2.0	0	0	0
TOTAL[30]	28.7	12.3	12.3	42.9
Country	Area covered			
	Target (ha)	RY2018 results (ha)	Cumulative results (ha)	Cumulative progress towards target (%)
Brazil	7,653,472	19,543,789	22,990,079	300.4
Burkina Faso	1,284,000	284,480	288,637	22.5
DRC	133,400	15,337	31,442	23.6
Ghana	736,350	553,148	553,148	75.1
Indonesia	1,429,880	43	43	0.0
Lao PDR	4,360,000	17,462	4,380,182	100.5
Mexico	1,948,095	1,885,358	1,885,358	96.8
Mozambique	929,000	43,500	43,500	4.7
TOTAL	18,474,197	23,095,541	30,172,389	163.3

Source: FIP countries and MDB data

71. In **Burkina Faso**, FIP helped reduce 1.6 MtCO$_2$e since FIP started until the end of RY2018. These results were calculated with the EX-ACT tool and through field data collection. This reduction includes 1,200 tCO$_2$e in carbon emission savings from 300 bio-digesters provided through FIP, considering that each bio-digester saves 4 tCO$_2$e compared to a conventional one. Carbon stock enhancement of 76,119 tCO$_2$e was achieved through the reforestation of 165 ha with 165,000 trees. In terms of area covered, the AfDB project[31] achieved 284,000 ha of classified forests that have already been delineated for improved regulation and public management of gazetted forests. This data is cumulative since project start, and has been reported for the first time. The World Bank project also covered 480 ha with sustainable land management practices.

---

[30] Results reported correspond to cumulative carbon reductions/avoidance since FIP start until end of RY2018.
[31] Gazetted Forests Participatory Management Project for REDD+ (PGFC/REDD+)

72. In **DRC**, 4.9 MtCO$_2$e were reduced through the World Bank project[32] since the start of implementation. These emissions reductions are derived from the distribution of improved cookstoves[33], removals generated under afforestation and reforestation schemes in the Kinshasa basin supply and measured using proxies (carbon sequestration for each type of sylvicultural model), and the estimated emission reductions from deforestation and forest degradation against the baseline. The total area covered in RY2018 was 15,337 ha, representing areas of exclosures protected from bush fires and tree plantations (mainly acacia) under various agroforestry schemes in the World Bank project[34].

Officers from the local executing agency visit an agroforestry site on the Baki military base in DRC.

A rooting propagator for Mondia Wittei and Gnetum Africanum in DRC

73. In RY2018, **Ghana** conducted a carbon assessment of FIP interventions using 2014 as the base year and 2017 as the mid-year. The assessment concluded that FIP interventions contributed to a reduction in deforestation in the program areas and enhanced the carbon stock by 0.6 MtCO$_2$e in the period 2014-2017 in the high forest and transitional zones in the Western and the Brong Ahafo Regions, as explained in Box 2.

74. In **Lao PDR**, the SUFORD-SU project estimated it has achieved 1.8 MtCO$_2$e in accumulated carbon emissions reductions through efforts to curb deforestation and forest degradation in Protected Forest Areas. Since project start, enhanced carbon storage from improved forest protection and restoration has reached 18,500 tCO$_2$e.

These scenes depict forest protection and restoration in Lao PDR through the SUFORD-SU project: a community nursery, planting trees on degraded land, and villages learning how to plant trees.

---

[32] Improved Forested Landscape Management Project
[33] GHG Emission reductions measured according to the CDM Small- scale Methodology (AMS-II.G.)
[34] Improved Forested Landscape Management Project

75. In **Mexico**, the target GHG emission reduction was 10 percent of the updated Forest Reference Emission Level (FREL) of 9.48 MtCO$_2$e per year, or 6.64 MtCO$_2$e over the FIP implementation time period (2012-2018). This target was only partially achieved, as the Forests and Climate Change project was completed[35] and the total accumulated reductions in the project implementation period (2012-2018) are 3.45 MtCO$_2$e (5 percent reduction).

Box 2: Ghana's 2014-2017 carbon assessment in FIP intervention areas
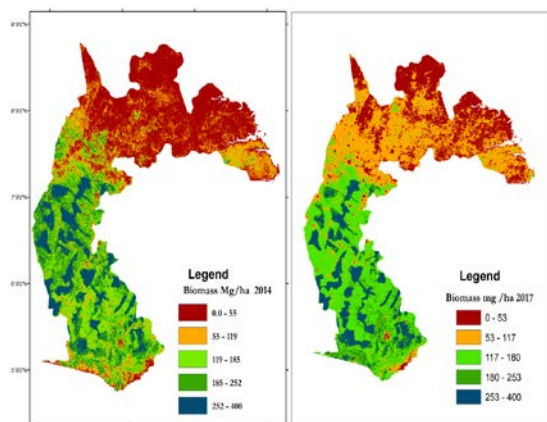
Biomass maps in 2014 (left) and 2017 (right) in FIP intervention area

Ghana's carbon assessment estimated a 1,190.81-ha loss of close forest over a three-year period (2014 baseline to 2017 year of assessment) in the FIP intervention zone, but with an annual deforestation rate of 0.9 percent, compared to business as usual (BAU) of 1.3 percent. Open forest area increased significantly, with an overall gain of 2,058.88 ha, and an annual deforestation rate of 1.2 percent, compared to a BAU of 1.5 percent. FIP supported interventions—including plantation development, enrichment planting in some selected forest reserves, wildfire prevention, community sensitization, and protection of sacred groves—contributed to the increase in open forest. The corridors where the CREMAs were established did not witness significant changes during this timeframe as it corresponded to when CREMAs were being formed and communities were being sensitized. .

The carbon assessment confirmed that there is a slight gain in biomass by hectare from the baseline to 2017. This is attributed to the slow growth rate of vegetation. It will take some time before the biomass will increase. Over time, the net gain in biomass and carbon within the FIP intervention area is expected to increase. Spatial analysis of FIP interventions confirms 0.61 MtCO$_2$e in carbon stocks gains from 2014 to 2017, driven largely by the model plantation development, enrichment planting, and establishment of tree seed orchards.

5.5.1.2 Theme 1.2: Livelihood co-benefits

76. FIP countries reporting results in RY2018 made notable progress in livelihood co-benefits, reaching 685,716 people. Cumulatively, FIP has reached 1.3 million people or 87.5 percent of the total target of 1.5 million beneficiaries. The type of livelihood co-benefits generated by each FIP projects varies and includes monetary benefits through increased incomes, technical assistance, training, new sustainable jobs, and access to credit, among others.

77. All countries except for Indonesia[36] have reached at least 73 percent of their targets based on the cumulative progress from 2012 until 2018, as shown in Table 11. Four countries have exceeded their targets: Brazil 207%, Burkina Faso 119%, Mexico 109% and Mozambique 104%.

---

[35] Forests and Climate Change project is only FIP project yielding GHG emission reductions in Mexico
[36] FIP project implementation started later in Indonesia.

78. In RY2018, FIP in **Brazil** benefited 85,968 people, and cumulative progress is double the target. Most of these results are coming from the FIP/CAR project, which had 77,612 rural properties enrolled in the cadaster. Also, beneficiaries include 4,095 people trained through Field Days and 3,558 people attending training courses on low carbon agriculture technologies, as part of the FIP/ABC project (see Box 3).

Table 11: Livelihood co-benefits targets and results over time (thousands of beneficiaries)

FIP Countries	Target	RY2018 results	Cumulative results (2012-2018)	Cumulative progress achieved (%)
Brazil	66,697	85,968	138,342	207.4
Burkina Faso	269,000	307,166	318,801	118.5
DRC	177,690	119,476	130,602	73.5
Ghana	230,861	39,031	187,849	81.4
Indonesia	244,678	10,101	10,101	4.1
Lao PDR	138,425	55,274	133,297	96.3
Mexico	263,788	9,764	288,073	109.2
Mozambique	59,302	58,936	61,447	103.6
TOTAL	1,450,441	685,716	1,268,512	87.5

79. In **Burkina Faso**, the AfDB-led PGFC/REDD+ project[37] was the chief contributor to the number of beneficiaries reached. The project contributed to 288,960 people being able to generate income from sustainable resources related to the gazetted forests in the project implementation site. Other livelihood co-benefits included the installation of bio-digesters in forest-adjacent communities, material and training support to community youth on sustainable beekeeping, and other forms of technical training.

80. In **Indonesia**, FIP projects reached 10,101 beneficiaries in RY2018. Beneficiaries received community-level capacity building to increase income generation (e.g., home gardening, rubber tapping, weaving techniques, fish farming, harvesting and handling post-harvest forest honey, and handicrafts), develop business proposal, and enhance women leadership, empowerment, entrepreneurship, and gender-responsive budgeting.

In Indonesia, FIP has supported community-level capacity building in income generating activities such as bee keeping, fish drying, and handicrafts.

---

[37] Gazetted Forests Participatory Management Project for REDD+ (PGFC/REDD+)

81. In **Lao PDR**, the SUFORD-SU project has benefitted 117,400 people since project start (46,400 in RY2018). Villagers have received a combined total of USD 1 million in wage labor payments since project start. The Smallholder Forestry Project reached 2,863 beneficiaries. Under BAFCO's[38] farmer cooperation, farmers received temporary land-use rights certificates, land lease fees, labor wage payments to work in the plantations, and income generation from planting cash crops and raising cattle on the plantations.

82. In **Mexico**, the Forests and Climate Change project closed in February 2018, having reached a total of 265, 632 beneficiaries. In RY2018, FIP 3[39] benefitted 3,506 people and FIP 4[40] benefitted 3,827 people. The FIP Investment Plan has decreased investment risks in the forestry sector, reducing the gap between credit lenders and forestry enterprises. FIP 4 has established a successful partnership between CONAFOR and the financing entities FMCN[41] and FINDECA. As FIP 4 nears completion, new alternatives have been planned to continue this partnership and support other forest community enterprises. These enterprises have built capacities thanks to FIP, allowing them to increase production, profitability, and the possibility of accessing new credit resources.

83. In **Mozambique**, the IFC project[42] has supported 7,500 farmers with virus-resistant cassava seedlings since project start (30,000 seedlings distributed in RY2018). Also, 53,947 beneficiaries have adopted sustainable land management practices, such as conservation agriculture, as a result of the project.

---

[38] Burapha Agro-Forestry Co.,Ltd (BAFCO) is one of the two companies that Smallholder Forestry Project has signed a cooperation agreement with.
[39] FIP3: Financing Low Carbon Strategies in Forest Landscapes project
[40] FIP 4: Support for Forest Related Micro, Small, and Medium-sized Enterprises (MSMEs) in Ejidos project
[41] Fondo Mexicano para la Conservación de la Naturaleza
[42] Emissions Reductions in the Forest Sector through Planted Forests with Major Investors project

Box 3: Improving livelihood and diversifying income in Minas Gerais (Cerrado), Brazil

Result of the implementation of a system of contour lines: before (left) and after (right)

In the north of Minas Gerais, where the FIP/ABC (World Bank) project is being implemented, periodic water shortages are a reality. Ranchers used to be forced to buy expensive cattle feed during the dry season. but thanks to the FIP/ABC project, they are now growing their own feed crops   well adapted to the region even in periods of droughts. They were trained on techniques to improve crop productivity with low water availability, such as contour lines and floodwater retention basins.

The FIP/ABC project increased the productivity of pastures and agricultural crops through fertility techniques and soil management and conservation, as well as the improvement of rainwater infiltration made possible by the installation of terraces, planting techniques, and other conservation techniques. The water reserve in the water table is also expected to increase due to these techniques as they increase water infiltration in the soil during the rainy season. The higher rainwater retention and consequent food production were observed in less than a year.

FIP has supported other land management practices, including correction of soil with limestone, correction of soil fertility, planting of more suitable forage variety, piling and rotational grazing of the area, and establishing a crop-livestock integration system. For every Brazilian R$ 1 the project has invested per hectare, producers have invested an average of R$ 7.20 per hectare.

The FIP/ABC has helped cattle ranchers, who have gained self-sufficiency by producing their own feed, and feed farmers, who have increased their yields and can sell surplus to other producers in the region. The enhanced cattle feed has also improved the quality of milk production, allowing ranchers participating in ABC Cerrado to increase cheese and curd production up to ten-fold.

A video of the project can be found here.

5.5.2 Category 2: Other relevant co-benefit themes

5.5.2.1   Theme 2.1: Biodiversity and other environmental benefits

84. FIP made significant progress promoting biodiversity and other environmental benefits, including botanical maps, PES schemes, contour lines to increase water retention in soil, and new systems to measure deforestation in Brazil's Cerrado biome.

85. Since the start of the FIP/IFN[43] project in **Brazil**, until RY2018, 49,394 botanical samples from 3,817 points of the Cerrado have been collected for species identification. The information generated from these collections will inform public policies aimed at conserving important areas of biodiversity and ensuring the sustainable use of forest resources in the Cerrado.

86. In **Burkina Faso**, FIP supported the recovery of 262.5 ha of degraded land through the technique of stone barriers in seven classified forests in the center-west and Boucle du Mouhoun regions. This activity was conducted first by engaging representatives of local communities, raising awareness, training local actors on the use of water for the contour lines in the degraded areas, and collecting stones and constructing contour lines in the degraded areas. Also, in 2018, FIP supported a successful PES program to prevent forest fires, explained in Box 4.

In Burkina Faso, communities have learned how to lay stone barriers along contour lines to improve degraded land.

87. In **DRC,** FIP is collaborating with the botanical garden of Kisantu (Kongo Central) to create a seed bank and domesticate endangered plant species (food crops and medicinal plants) by propagating plant materials and introducing forest species into agroforestry systems. FIP has also helped improve biodiversity in the mangrove marine park by providing mobile security equipment to monitor the protected area It has helped introduce agroforestry and market gardening in the Congo River islands to reduce pressures on fish resources in the territory of Yumbi (Province of Mai Ndombe) and to strengthen food security. Family farming of yams and catfish are being supported.

---

[43] Forest information to support public and private sectors in managing initiatives focused on conservation and valorization of forest resources

88. In **Indonesia**, FIP has supported the creation of forest fire care community groups to avoid the loss of habitats due to forest fire. Each community group is assigned to look after about 80 ha of forests. Six groups have been established in Kapuas Hulu, West Kalimantan and it is expected that they could protect 480 ha of conservation forest. FIP has provided community groups forest fire prevention equipment and training on managing forest fires.

89. In **Lao PDR**, the SUFORD-SU project continued enforcing forestry law on illegal logging and encroachment and saw to 108,000 ha regaining the lapsed Forest Stewardship Council (FSC) certificate. The PFSES[44] project provided patrolling and law enforcement to ensure 1) land use is in line with land use regulation and forest land is not converted into agricultural land, 2) poaching and illegal logging and timber cutting is reduced, and 3) tree plantation and assisted natural regeneration areas are maintained and protected from forest fire and human encroachment. The Smallholder Forestry Project included tree planting and plantation management, based on traditional knowledge of rain-fed agricultural and forestry practices. Planted trees grow naturally with other natural plants, which constitutes a low risk to biodiversity and environmental services.

90. In **Mexico** under the FSC scheme, FIP supported forest certification of 428 ha, which implies benefits for the biodiversity conservation. Through FIP, CONAFOR has strengthened its support for active conservation of forest ecosystems by providing economic incentives to forest landowners. The PES incorporates good management practices to promote active conservation and sustainable management of ecosystems and encourage the long-term provision of environmental services, such as water collection, biodiversity, conservation, carbon capture, and conservation. Thanks to FIP, CONAFOR is implementing the BIOCOMUNI program, which identifies changes in species distribution over time, as well as good practices for land management and biodiversity conservation.

91. In **Mozambique**, a fire risk model was created, including the development of early fire warning and detection systems. IFC and Portuguese company Navigator[45] carried out a study to verify and ascertain the motivations and reasons for populations living in communities surrounding Portucel[46] plots to monitor the practice of uncontrolled fires as well as their limitations in fire control during the year of 2018. FIP also supported the completion of two environmental and social safeguard manuals, aiming to guide farmers and producers in agroforestry systems: *Manual of Good Environmental and Social Management Practices for Agriculture and Agroforestry Systems*, and a manual on *Prevention Protocol of Critical Habitats*.

---

[44] Protecting Forests for Sustainable Ecosystem Services Project
[45] http://en.thenavigatorcompany.com/Institutional/Portucel-Mocambique

Box 4: Payment for environmental services in Burkina Faso (bushfire management)

Training on protecting classified forests against bush fires

In 2018, FIP promoted the PES in Burkina Faso by supporting riverside communities in the management and protection of gazetted forests against fires. Eleven forests in the regions of Boucle du Mouhoun in the center-west and southwest of the country are part of the pilot phase. In total, 25 collective contracts for fire management have been signed between FIP and the local managers (forest management committees) across the 11 forests.

The total budget allocated to the 25 PES contracts for bushfire management is 215,778,000 FCFA (USD 363,133) covering a stipend for village supervisors for every month worked (57,225,000 FCFA), the purchase of bicycles for fire monitoring in the forest (22,890, 000 FCFA), and a baseline study and evaluation of burned areas (10,000,000 FCFA). As a result, 327 village-based forest fire supervisors have been identified in 25 groups, 11,129 people received training on bushfires (3,407 women), and 327 bicycles and 345 mobile phones were purchased for forest fires monitoring. Also, the PES achieved 912 km of firebreaks and 85 ha were cleared for beekeeping. By the end of 2019, FIP PES will pay at least 24 million FCFA (USD 40,390) to riverside communities for their work monitoring fires in the gazetted forests.

5.5.2.2   Theme 2.2: Governance

92. FIP efforts on forest governance focus on strengthening decision-making processes, ensuring participation of all stakeholders, and enhancing forest law enforcement.

93. In **Burkina Faso**, in 2018 FIP promoted the participation of women, youth, and vulnerable groups in different activities. For the PGFC/REDD+[47] project, women hold at least 30 percent of the positions on forest management committees, as targeted. In addition, there were specific activities, such as the development and value addition of non-timber forest products (NTFP), which were installed and managed by women.

---

[47] Gazetted Forests Participatory Management Project for REDD+ (PGFC/REDD+)

94. In **DRC**, FIP supported the creation and launch of Provincial Steering Committees for the two provinces receiving PGAPF[48] investments (Mai Ndombe and Kongo Central). They are presided over by the Provincial Governor for Mai Ndombe and by the Minister of Environment for Kongo Central. These committees include representatives of the Ministry at the national level, provincial ministries, civil society, and the private sector. Their main mission is to monitor and guide the interventions of the PGAPF. FIP interventions have also promoted women participation. Women comprise 30 percent of the Rural Agricultural Management Committees of the Territories and 34 percent of the Local Development Committees.

95. In **Indonesia**, FIP has worked to increase the participation of marginalized or vulnerable groups, such as women and indigenous or traditional groups, in forest decision-making processes. FIP projects have mobilized consultants to ensure all processes follow the project guidelines and manuals. All stakeholders have been involved in the development process of long-term forest management plan, in order to identify the most suitable activities for the community empowerment program. FIP in Indonesia has a heavy focus on dialogue and consultation with village community groups. A provincial consultative committee and a working group have been established to facilitate stakeholders' communication and consultation. Also, FIP has facilitated consultation and coordination meetings to optimize key stakeholders' role in implementation of sustainable forest management involving a number of government institutions, including the Ministry of the Environment, Ministry of Home Affairs, Ministry of Finance, Ministry of Social Affairs, and others.

96. In **Lao PDR**, as part of Mekong Timber Plantations Limited (MTP) re-engagement with outgrowers supported by the Smallholder Forestry Project, women were encouraged to participate in village and cluster meetings and focus group discussions. Focus groups were by gender to increase women's contribution to the consultation process. Their views were heard by the firm and included in the report's recommendations for developing a new outgrower scheme. Both men and women are receiving the same information about MTP through tailored communication materials. Monitoring visits for the Burapha Agro-Forestry Co. Ltd (BAFCO) outgrower scheme are designed to ensure gender and decision-making processes in registration and plantation management are captured and recorded. The data will be used for future planning on training and livelihood support activities.

FIP support for the Burapha outgrower scheme has included monitoring visits and village marketing meetings.

---

[48] Improved Forested Landscape Management Project

97. In **Mozambique**, the World Bank-led MozFIP[49] project supports the Dialogue and Complaints Mechanism (MDR, from the Portuguese name) to answer questions, clarify issues, and solve implementation problems and complaints related to individuals or groups affected by implementation of REDD + activities and projects of the Landscape Integrated Management portfolio. In RY2018, the preparation process for developing the MDR was completed, including registration and information management system, as well as approval of the communication strategy for its dissemination. The MDR platform became operational, including the green line system, forms were made available at provincial level, and dissemination of communication materials at subproject implementation level took place. The MDR helps to clarify doubts as well as to detect and solve problems before they get worse and spread. It also helps to disseminate the MozFIP objectives and make communities aware of their importance. See more information in Box 5.

---

[49] Mozambique Forest Investment Project, MozFIP

Box 5: FIP is helping to set good governance practices in Mozambique

Improving forest governance is still a key challenge in Mozambique. The development of the FIP Investment Plan opened the door for a dialogue on forest governance. The government has since implemented a series of reforms in the forest sector. The World Bank project MozFIP has supported many of these, as well as multiple activities to strengthen forest governance. These include analytical work on the sector, policy dialogue, institutional strengthening, legal frameworks review, and direct investments in activities on the ground.

The project supports two multi-stakeholder landscape forums in the Zambézia and Cabo Delgado provinces. These forums emphasize representation of community leaders, who often have less participation in decision-making processes at higher levels. Community leaders are encouraged to participate and contribute in forum events, which are also attended by provincial-level leaders.

FIP financed a forest governance assessment using the FAO/PROFOR *Framework adjusted to national reality for Assessing Forest Governance* in Zambézia and Cabo Delgado provinces. Apart from producing a useful diagnosis on the status of forest governance in the country, it created a space for discussion and proposals on priority interventions for strengthening governance. The first Forest Governance assessment was carried out in 2016, and since then, the forestry sector has faced structural changes. A second study was carried out in 2018 to evaluate the stage of forest governance in Zambézia and Cabo Delgado (through a seminar, with participation of Government representatives, Private sector, local communities, CSOs, media and academia), compare the results of 2016 with 2018, and recommend actions to improve forest governance and promote sustainable forest management in Mozambique. The second assessment indicated improvement in forest sector governance from 2016 to 2018.

In RY2018, FIP also funded the third training phase in the area of Community Governance and Management for 15 community associations of Uapé and Nipióde, covering topics such as governance in grassroots community organizations; mechanisms for financing community initiatives - focusing on community - private partnerships; and benefit sharing mechanism with a focus on common and individual benefits.

5.5.2.3 Theme 2.3: Tenure, rights, and access

98. In RY2018, FIP countries continued to make progress on land tenure issues. Forest communities received support to define rights on land and resources. In Brazil, FIP has promoted the systematization of the land cadaster data. In Burkina Faso, FIP supported trainings on land tenure. In Ghana, FIP continued working on the tree tenure arrangements, and in Mozambique, FIP contributed to the Systematic Land Regularization.

99. In **Burkina Faso**, the coordinators of 32 communities have been trained on the rural land tenure protocols with the General Directorate of Training and the Rural Sector Organization.

100. In **Brazil**, the main contribution towards enhancing land tenure is the systematization of primary data on the situation of land tenure in the region, which can inform related public policies. FIP supported the registration in the CAR (Brazilian cadaster) of 120,612 family farms.

101. Systematization of SICAR[50] data has led to the observation that while smallholders own 92 percent of properties and occupy 31 percent of the territory, large properties hold 2 percent of properties but occupy 51 percent of the territory. There are still many non-registered areas in theCAR, and there is great potential in all states assisted by the FIP/CAR project to carry out CARs for People's Territories and Traditional Communities. There is a proposal to increase the target of enrolling Traditional Communities and People's territories from 10,000 families to 25,000 families. An innovative aspect of the CAR registries is the inclusion of rural territories of traditional peoples and communities in Cerrado States. These communities, historically marginalized by federal government programs, include *quilombos* (rural Afro-descendant communities) and *babassu* coconut gatherers and processors, whose territories are collectively managed and recognized by Brazilian law.

102. In **Ghana**, progress on policy and legal reform to improve forest-related rights and access has focused on tree tenure and benefit sharing arrangements. Over the years, farmers have not received direct benefits from tending and harvesting naturally occurring trees on farms. This has created a disincentive for farmers and has resulted in the destruction of naturally occurring trees on farms. In 2018, the following FIP-supported activities were conducted:

- Consensus building through participatory consultations on the percentage of benefits for farmers. The stakeholders included farmers, government agencies, civil society groups, the timber industry, and traditional authority.
- Identification and consensus building on the source of revenue to be used to pay the farmers. A timber-tending toll[51] will be paid to beneficiaries by the timber industry.
- Development of software for registration of trees on farms.

---

[50] SICAR: Rural Environmental Registration System
[51] A timber tending toll is a direct fair payment to farmers for naturally-occurring trees that are sold. World Cocoa Foundation. Tree Registration Guide. December 2018.

103. In **Mozambique**, FIP contributed to systematic land regularization (see Box 6). The MozFIP project also contributed to the development of the National Territorial Development Plan (PNDT in Portuguese), led by the National Directorate for Territorial Planning and Resettlement. The PNDT Launching Seminar was held to ensure active participation by all sectors and key stakeholders involved in the occupation and territory development.

5.5.2.4 Theme 2.4: Capacity development

104. All FIP countries have a specific component in their investment plans to increase their capacity to plan and implement sustainable forest management solutions. FIP countries reported notable achievements in terms of capacity development in RY2018.

105. In **Brazil**, the FIP Investment plan has developed new capabilities within the government and in the different actors involved. The following results were achieved in RY2018:

- Collection of socio-environmental data, through 10,301 interviews with rural dwellers, to gain knowledge about the use of forest resources and the relationship of communities with forests

- Capacity building at the institutional level by incorporating the Cerrado biome into the routine activities of some institutions (FIP/Monitoring), constructing new information systems (FIP/IFN) and developing a large training strategy through partnerships with institutions strategy (FIP/ABC).

106. Also, in Brazil, the FIP/CAR Project is strengthening the capacity of the Ministry of Agriculture, Livestock and Food Supply (MAPA) and State Environmental Agencies (OEMAs) to implement the CAR as a mandatory tool for the environmental regulation of rural properties. Some 451 technicians from OEMAs have been trained to use the CAR records analysis module since the project start until 2018. The FIP/IFN Project has also contributed to training forest and botanical experts in forest inventory techniques, both through courses and practical work experience.

107. In **Burkina Faso**, some of the FIP actions that have contributed to improving the capacity of stakeholders in land and forest use planning and management are: the development of 31 projects on integrated community development (PDIC/REDD+), workshops to facilitate the development of a methodological guide for planning and securing communal land use in the context of REDD+, and support for a simplified manual on the development, implementation, and monitoring of PDIC/REDD+. Some 2,049 beneficiaries were trained (10 percent women) on a national law addressing rural land and conflict prevention. Other achievements included 425 people trained on REDD+ and 59 members of civil society organizations implementing FIP projects being trained on REDD+ and the FIP partnership strategy. The National Center for REDD+ training was created by decree. Contracts for PES were established with communities for the sustainable management of forests and bush fires.

108. In **Ghana**, FIP developed and validated guidelines for integrating REDD+ into District Assembly Plans. A facilitator was engaged to support training on the use of the guidelines, which will enhance the capacities of the District Assemblies to develop and implement forest and forest-related policies. In 2018, the facilitator conducted training for 153 local community members focused on the REDD+ Strategy of Ghana, carbon rights and benefit sharing under REDD+, and soil carbon enhancement approaches. For government agencies, a total of 89 officials were trained in carbon assessment procedures. Some of the technical training activities included: nursery operations (150 beneficiaries), tree planting (1,560 people), good farming practices (1,335 farmers), business development programs for climate-smart cocoa (6,000 farmers), governance and management skills (125 CREMA executives), safeguards (145 focal people), and early detection of wild fires (356 volunteers).

Box 6: Land Regularization in Mozambique

An important indirect driver that also contributes to deforestation and forest degradation in Mozambique, is land tenure insecurity. Land tenure insecurity discourages investments in longer-term assets with limited to no immediate returns, including forests and other natural resources, which is made worse by demographic pressure. Increased land tenure security and proper land use planning can directly contribute to more sustainable management of natural resources, as it increases the incentives that landholders have of adopting land use practices that account for their long-term effects.

The World Bank project aims to regularize land tenure, promote community-level land-use planning and integrated landscape management tools to strengthen land tenure of local communities and small and medium landholders and enhancing their capacity to plan the use of natural resources over which they have rights and to enhance the capacity of local actors in land-use planning. In 2018, the project managed to complete the land-use and benefit rights (DUATs) to small and medium landholders engaged in planted forests and agroforestry. With regards to DUAT emission, a total of 15,944 land parcels were recorded, and 5,711 land right titles were emitted. It is expected that the initial project targets will be exceeded during the next year, as a result of the massive systemic land regularization approach implemented in Mulevala district, Zambezia for the implementation of agroforestry systems component. This approach adopted by the Government of Mozambique, consists of regularizing all land parcels around the community that have good faith occupation mainly for subsistence purposes. Some of the activities that were conducted prior to the issuance of DUATs are the delimitation of boundaries between communities, approval and validation of the process by the communities, presentation of planning tools, their correction and approval, followed by the production of maps.

Land delimitation and DUAT emission activities will directly support an on-going government program called *Terra Segura*, which aims to regularize legal rights to use and benefit from land for approximately 5 million families and 4,000 communities in the next five years.

---

109. In **Indonesia**, FIP has facilitated various trainings for the heads of the Forest Management Units as well as their staff. FIP has identified 62 types of necessary training programs and 22 training have been implemented so far, with 617 government's officials (469 men and 148 women) participating in 2018. Training categories include Forest Administration (9 trainings), Forest Planning (14 trainings), Forest Utilization (21 trainings), Conservation of Natural Resources and Ecosystem and Law Enforcement (10 trainings), and Rehabilitation and Social Forestry (8 trainings).

110. In **Lao PDR**, the Smallholder Forestry Project supports the Department of Forestry in reviewing legislation related to procedures on registering plantation forest and planted trees, leading to the development of guidelines on the registration of plantation forests and planted trees. The PFSES project has developed an operational logging and degradation monitoring system, which will strength the capacity of the Department of Forestry to detect deforestation and forest degradation weekly and develop measures to prevent forest destruction. The SUFORD-SU project has provided technical and organizational support for individual farmers and farmer groups/cooperatives in the form of job training and exchange visits to individual farmers and production groups on technical issues related to Village Level Development Grants and the Non-Timber Forest Product (NTFP) value chains, as well as organizational knowledge gaps regarding the management of farmer groups and cooperatives.

111. In **Mexico**, FIP has contributed to strengthening the national MRV system for REDD+, providing the necessary tools to estimate GHG emission reductions from FIP projects. Through the FIP 4[52] project, the finance institution responsible for providing the line of credit (FINDECA) has strengthened its participation and operations in the forest sector financing. The Forests and Climate Change project strengthened a wide network of community forest advisors, who support ejidos in their planning and operationalization of projects. FIP has supported CONAFOR's forestry training and education centers (CECFOR in Spanish), providing opportunities to young people in forest areas, *ejidos,* and indigenous communities to continue their formal education, and acquire skills that enable them to work in the forest sector. FIP 3 and FIP 4 provided technical assistance, strengthening the capacities of community forest enterprises.

112. In **Mozambique**, FIP has contributed to the enhanced capacity of the technical team (FNDS and IFC). The MozFIP project has engaged with the National Forest Directorate (DINAF) since the beginning of the forest sector reform and provided advice on reform decisions. The WB FIP project strengthened the stakeholders' capacity on the following themes: management of forest information system, use of ArcGIS enterprise as a geospatial and monitoring platform, inspection and administration procedures and practices, forest law enforcement platform, management of spatial planning tools, GIS usage, social and environmental safeguards, emission reduction program, community governance, and management and forest operations. The World Bank project trained 413 participants in RY2018. The IFC project focused on developing its stakeholders' capacity on rapid rural diagnosis, fire prevention, firefighting, improved barn construction and harvest and post-harvest management, conservation agriculture production, agro-forestry and outgrowing forest plantations, monitoring and reporting of field activities, cassava production techniques, production of mung bean, production of honey, and zoning

---

[52] Support for Forest Related Micro, Small, and Medium-sized Enterprises (MSMEs) in Ejidos

methodological development. The IFC project trained 459 participants in RY2018.

5.6 Other indicators reporting progress on the FIP portfolio

113. Other monitoring indicators collected from MDB evaluation reports provide additional information on how FIP investment plans are progressing in other important areas.

114. In RY2018, progress was made on all the indicators shown in Figure 8. Most progress reported on the indicator *Cookstoves distributed* comes from the World Bank Improved Forested Landscape Management project in DRC, which accounted for 9,802 in RY2018 and 13,952 since project start.

115. The indicator Government institutions provided with capacity building to improve management of forest resources exceeded the target (104.3 percent).

Figure 8: Overview of other FIP indicators reporting progress (as of December 31, 2018)
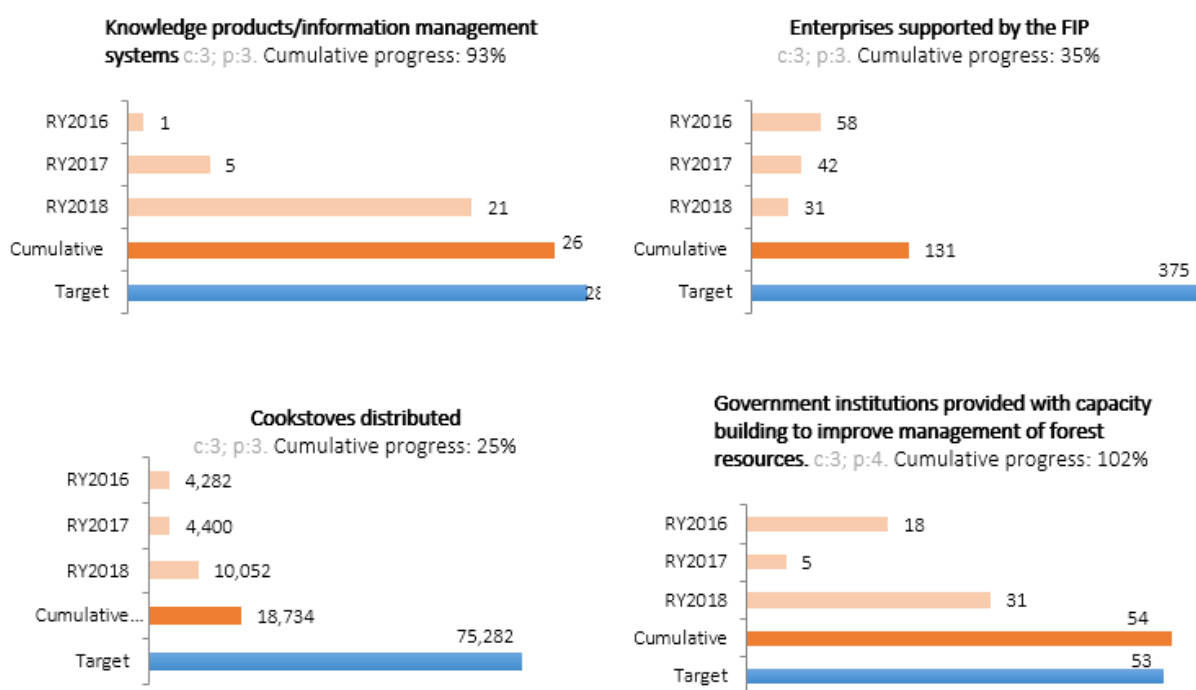
Note: C is the number of countries, and P is the number of projects reporting on each indicator

5.7 Lessons from completed projects

116. One FIP project, the World Bank's Mexico Forests and Climate Change project, has been fully-disbursed, reached closure[53], and prepared an Implementation Completion Report [54]. The overall outcome of the project was deemed satisfactory. The following lessons can be drawn from the report:

---

[53] The project was initially intended to close in February 2017, but was completed in February 2018.
[54] World Bank. Implementation Completion and Results Report. Mexico Forests and Climate Change Project

117. **Fostering transformation and social cohesion requires significant technical support.** Forest communities and ejidos required close technical assistance to ensure they received the full benefits of project support to improve their production processes, enhance restoration efforts, and access markets, among others. These communities benefited greatly from the range of technical expertise provided under the project and productive investments.

118. **Importance of complementary financing sources.** By accessing complementary financing sources (IBRD, TFs, climate finance), the project was able to (i) pilot an innovative approach at the territorial level that fosters multi-sectoral coordination (FIP and FCPF support); (ii) provide a strategic platform for engagements on sustainable and low-carbon rural development; and (iii) enhance impact on the ground by combining various instruments (analytical, investment, performance based).

119. **Importance of fostering inter-institutional linkages.** Given the project's multi-sectoral nature, in which the underlying factors of deforestation and degradation often include the profitability of other land uses and land use change related to agriculture and livestock, the project sought collaboration with key public agencies in the rural sector (CONAFOR, SAGARPA[55], and National Commission for the Knowledge and Use of Biodiversity).

120. **Client commitment is key to success.** The project confirmed that the implementing agency, as well as broader government commitment, is critical to the overall success of project activities, particularly when there are innovative elements that depend on technical and political level support to succeed. (e.g., pilot investments in the Early Action Areas, combining different supports, such as PES and soil restoration, to promote a more robust landscape management approach).

121. **Having robust M&E mechanisms in place from the outset helps to ensure smooth and effective implementation.** Ensuring a good implementation pace from the outset requires having a good information management system already in place, such as the SIGA[56] (a comprehensive, automated and georeferenced system that tracks community requests, approval processes, physical and financial progress, and efficiency).

5.8 Progress on the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM)[57]

122. DGM aims to enable the full and effective participation of indigenous peoples and local communities in REDD+ at local, regional, and global scales.

123. By the end of RY2018, the FIP Sub-Committee and World Bank had approved nine DGM projects (global component and country projects in Brazil, Burkina Faso, DRC, Ghana, Indonesia, Mexico, Mozambique and Peru), totaling USD 50 million (see Figure 9).

124. Through the National Steering Committees (NSC) of these DGM country projects, 133 community representatives, including 31 women, provide their leadership and oversight.

---

[55] Ministry of Agriculture, Livestock, Rural Development, Fisheries, and Food (SAGARPA).
[56] Comprehensive Support Management System (Sistema Integral de Gestión de Apoyos)
[57] More detailed information of DGM implementation and results can be found in the DGM website, including annual reports and semi-annual implementation reports.

125. DGM works directly with indigenous peoples and local communities to provide knowledge and skills to engage with DGM and other funding mechanisms. This includes proposal writing and financial management.

Figure 9: Approved DGM projects timeline
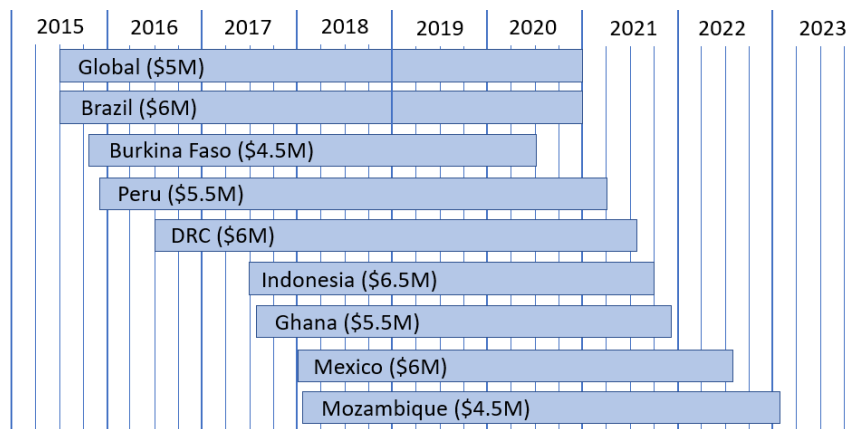
126. Capacity building has been a key element of DGM projects. Some of the capacity building activities conducted in RY2018 include the following:

- Empowering community-led governance
- Funding community initiatives
- Building leadership, management and technical skills
- Supporting knowledge exchange and learning (e.g., DGM Ghana has developed an interactive radio program for spreading information about climate change)
- Strengthening networks and alliances
- Enabling the spread of successful forest management practices

127. Through DGM, indigenous peoples and local communities are directly managing 235 subprojects with a combined value of over USD 8.7 million. Subprojects approved by community-led steering committees in four countries (Brazil, Burkina Faso, Indonesia, and Peru) target community priorities, such as land titling, food security, and sustainable livelihoods.

128. Other activities supported by DGM include validation visits for subproject proposals, training for grassroots organizations, and title registration.

129. The Global Learning and Knowledge Exchange Project (DGM Global) has continued supporting indigenous peoples and local communities with knowledge exchange and engagement at regional and global scales. For example, DGM has coordinated with the International Indigenous Peoples Forum on Climate Change (IIPFCC or IP Caucus) to merge its preparatory meetings for COP 24 with the second day of the DGM Global Exchange. Several DGM exchange participants contributed their expertise and perspectives to ongoing discussions of key issues like the Local Communities and Indigenous Peoples Platform and the Paris Agreement Work Programme or Paris Rulebook.

Annex 1: List of pipeline projects (as of September 2019 in USD million)

IP/ DGM PSSA	Country	Project title	MDB	Public/ Private	Grant	Non-grant	Date project concept / IP endorsed	Expected SC approval date
IP	Guatemala	Forest Governance and Livelihoods Diversification in Guatemala	WB	Public	1.4	10.4	June 2017	Nov 2019
DGM	Global	DGM for Indigenous Peoples and Local Communities	WB	Public	2.3	-	June 2015	Nov 2019
IP	Nepal	Forests for Prosperity	WB	Public	5.6	17.9	December 2017	Dec 2019
DGM	Nepal	DGM for Indigenous Peoples and Local Communities	WB	Public	4.5	-	December 2017	Dec 2019
DGM	Guatemala	DGM for Indigenous Peoples and Local Communities	WB	Public	4.5	-	June 2017	Jun 2020
IP	Congo Republic	Northern Congo Agroforestry project	WB	Public	3.58	12.0	December 2017	Dec 2019
IP	Congo Republic	Community Agroforestry and Wood Energy project	AfDB	Public	2.0	6.0	December 2017	Dec 2019
DGM	Congo Republic	DGM for Indigenous Peoples and Local Communities	WB	Public	4.5	-	December 2017	Dec 2019
IP	Ecuador	Sustainable Landscape Management for Forest Preservation in Coastal Ecuador	WB	Public	2.71	20.85	December 2017	TBD
DGM	Ecuador	DGM for Indigenous Peoples and Local Communities	WB	Public	4.5	-	December 2017	TBD

Annex 2: FIP resource availability

FIP TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS Inception through September 30, 2019 (USD millions)		Total	Capital	Grant
Cumulative Funding Received				
Contributions Received				
Cash Contributions		502.1	80.7	421.5
Unencashed promissory notes	b/	221.0	160.7	60.3
Total Contributions Received		723.1	241.4	481.7
Other Resources				
Investment Income earned -up to Feb 1, 2016	c/	14.5	-	14.5
Total Other Resources		14.5	-	14.5
Total Cumulative Funding Received (A)		**737.7**	**241.4**	**496.3**
Cumulative Funding Commitments				
Projects/Programs		578.4	161.3	417.1
MDB Project Implementation and Supervision services (MPIS) Costs		30.5	-	30.5
Administrative Expenses-Cumulative to 1st Feb 2016	c/	25.6	-	25.6
Country Programming Budget from 1st Jan 2018	c/	0.4		0.4
Total Cumulative Funding Commitments		634.9	161.3	473.6
Project/Program,MPIS and Admin Budget Cancellations	d/	(26.2)	(15.0)	(11.2)
Net Cumulative Funding Commitments (B)		**608.7**	**146.3**	**462.4**
Fund Balance (A - B)		**128.9**	**95.1**	**33.8**
Currency Risk Reserves	e/	**(33.1)**	**(24.1)**	**(9.0)**
Unrestricted Fund Balance (C)		**95.8**	**71.0**	**24.8**
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)	f/	(11.2)		(11.2)
subtract				
Administration Expense reserve for CIFAU, MDB & Trustee USD 20.9 Million				
Country Programming Budget Reserve USD 1.2 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	j/	**(1.0)**		**(1.0)**
Unrestricted Fund Balance (C) after reserves		**83.6**	**71.0**	**12.6**
Anticipated Commitments (FY20-FY21)				
Program/Project Funding and MPIS Costs		107.6	67.2	40.4
Total Anticipated Commitments (D)		**107.6**	**67.2**	**40.4**
Available Resources (C - D)		**(24.0)**	**3.9**	**(27.8)**
Potential Future Resources (FY20-FY21)				
Pledges	a/	0.3		0.3
Release of Currency Risk Reserves	e/	33.1	24.1	9.0
Total Potential Future Resources (E)		**33.5**	**24.1**	**9.3**
Potential Available Resources (C - D + E)		**9.5**	**28.0**	**(18.5)**
Reflows from MDBs	g/	1.0		1.0

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

b/ This amount represents USD equivalent of GBP 179.6 million.

c/ 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.

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

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

f/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 project's. This reserve amount has been reduced by USD 0.4 million approved for country engagement from

g/ 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 .

h/Contribution Receivable from Denmark for DKK 14.3 million

j/ 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.

Annex 3: FIP disbursement levels by project

COUNTRY	PROJECT TITLE	MDB	FIP Funding (USD million)	SC Approval Date	MDB Board Approval Date	Change in Disb. (Jan 1 to June 30, 2019)	Cumul. Disb. As of June 30, 2019	Disbursement Ratio
Brazil	Forest Information to Support Public and Private Sectors in Management Initiatives	IDB	16.45	Oct-13	Dec-13	0.0	4.6	28%
Brazil	Environmental Regularization of Rural Lands in the Cerrado of Brazil	IBRD	32.48	Jun-14	Jul-15	0.5	1.8	5%
Brazil	Sustainable production in areas previously converted to agricultural use project (under the low carbon emission agriculture plan)	IBRD	10.62	Apr-14	Jul-14	0.9	9.9	93%
Brazil	Development of systems to prevent forest fires and monitor vegetation cover in the Brazilian Cerrado	IBRD	9.25	Jul-15	Mar-16	1.0	3.6	39%
Brazil	Investment Plan Coordination Project	IBRD	1	Mar-15	Nov-17	0.0	0.3	27%
Brazil	Dedicated Grant Mechanism for Indigenous Peoples and Local Communities	IBRD	6.50	Jun-14	Mar-15	0.6	3.2	49%
Brazil	Integrated Landscape Management in the Cerrado Biome	IBRD	21	Jun-18	Oct-18	1.7	1.7	8%
Burkina Faso	Gazetted Forests Participatory Management Project for REDD+ (PGFC/REDD+)	AFDB	11.50	Oct-13	Nov-13	0.2	6.7	58%
Burkina Faso	Decentralized Forest and Woodland Management	IBRD	16.50	Oct-13	Jan-14	1.7	4.3	26%
Burkina Faso	Dedicated Grant Mechanism for Local Communities	IBRD	4.50	Jun-15	Sep-15	0.2	2.6	57%
Cote d'Ivoire	Cote d'Ivoire Forest Investment Project	IBRD	15	Dec-17	Jan-18	2.2	2.2	15%
DRC	Forest-Dependent Community Support Project	IBRD	6.00	Jun-15	Mar-16	0.5	2.2	37%
DRC	Improved Forested Landscape Management Project (IFLMP)	IBRD	36.90	Mar-14	Jun-14	3.0	33.0	89%
DRC	Integrated REDD+ Project in the Mbuji-Mayi/Kananga and Kisangani Basins	AFDB	21.50	Aug-13	Sep-13	0.7	6.4	30%
Ghana	Engaging Local Communities in	AFDB	9.75	Sep-13	Jan-14	1.2	7.4	76%

COUNTRY	PROJECT TITLE	MDB	FIP Funding (USD million)	SC Approval Date	MDB Board Approval Date	Change in Disb. (Jan 1 to June 30, 2019)	Cumul. Disb. As of June 30, 2019	Disbursement Ratio
	REDD+/Enhancement of Carbon Stocks							
Ghana	DGM for Indigenous Peoples and Local Communities	IBRD	5.50	Sep-16	Apr-17	0.7	2.1	38%
Ghana	Enhancing Natural Forest and Agroforest Landscapes Project	IBRD	29.50	Dec-14	Feb-15	2.5	21.4	73%
Global Component	Dedicated Grant Mechanism for Indigenous Peoples and Local Communities	IBRD	4.72	Jun-14	Mar-15	0.5	4.2	90%
Guatemala	Sustainable Forest Management	IDB	0.48	Jan-18	Mar-18	0.1	0.1	16%
Indonesia	Community-Focused Investments to Address Deforestation and Forest Degradation (CFI-ADD+)	ADB	17	Jul-16	Sep-16	1.1	3.0	17%
Indonesia	DGM for Indigenous Peoples and Local Communities	IBRD	6.33	Dec-16	Mar-17	0.0	2.3	36%
Indonesia	Promoting Sustainable DBNRM and Institutional Development	IBRD	17	Oct-15	Apr-16	3.3	3.3	20%
Lao PDR	Protecting Forests for Sustainable Ecosystem Services	ADB	12.84	May-16	Aug-16	0.9	4.2	33%
Lao PDR	Scaling-up Participatory Sustainable Forest Management	IBRD	12.83	Apr-13	May-13	0.5	12.5	97%
Mexico	DGM for Indigenous Peoples and Local Communities	IBRD	6	May-17	Sep-17	0.0	1.0	17%
Mexico	Forests and Climate Change Project	IBRD	42	Nov-11	Jan-12	0.0	40.35	96%
Mexico	Financing Low Carbon Strategies in Forest Landscapes	IDB	15	Sep-12	Nov-12	0.0	8.6	57%
Mozambique	DGM for Indigenous Peoples and Local Communities	IBRD	4.50	Aug-17	Dec-17	0.7	1.1	24%
Mozambique	Mozambique Forest Investment Project (MozFIP)	IBRD	22	Jan-17	Mar-17	0.0	7.5	34%
Peru	Dedicated Grant Mechanism in Peru: DGM Saweto	IBRD	5.50	Jun-15	Sep-15	0.8	3.9	70%
Peru	Forest Investment Program Peru	IDB	36.3	Dec-17	Sep-18	0.0	0.0	0%
Peru	Integrated Land management in Atalaya, Ucayali Region	WB	12.6	May-18	Jan-19	0.0	0.0	0%

Annex 4: FIP-related proposals funded under the CIF E&L Initiative

Evaluation & Learning Proposal Name	Type/Submitting Entity	USD funding requested/ approved	Status as of June 2019	Final Deliverable(s)
Evaluation and Learning Partnership on financing forest-related enterprises Learning from the Forest Investment Program and other initiatives	CIF AU		Completed	April 2019
1st Round				
1.1. Early Lessons from Design and Implementation of FIP	**MDB:** WBFIP Focal Point Team	50,000	Editing of final report	January 2020
1.2 Fiscal Incentives for Decreasing Deforestation	**MDB:** WB FIP Focal Point Team	150,000	Final report under review	December 2019
2nd Round				
2.1 Towards Large-Scale Commercial Investment in African Forestry	**MDB:** AfDB with Observer (WWF-Kenya)	130,000	Completed	May 2019
2.2 Social identity Framing to get Mexican Rural Women REDDYy for the participation in natural resource management	**MDB:** WB with National Forestry Commission (CONAFOR	110,000	Data analysis phase and drafting of final report	December 2019
2.3 Bringing evidence of FIP contribution to welfare improvements	**MDB:** WB	150,000	Draft report under review	January 2020
2.4 Assessing the potential to expand the Dedicated Grant Mechanism - through an Indigenous Lens	**Observer:** Māori and Indigenous Governance Centre (MIGC), University of Waikato, New Zealand	120,000	Final report under review	January 2020