October 25, 2013

Approval by mail; Brazil: Forest Information to Support Public and Private Sectors in Management Initiatives - FINAL response BRA_IDB

Dear Patricia,

On behalf of the Government of Brazil and IDB colleagues I would like to thank you again for facilitating the call with UK colleagues this morning.

Please find enclosed the final table with the responses to UK request of clarification to be posted on the CIF website for 48h revision period.
I also include the Theory of Changes/Logic Framework (pdf) document that can also be posted on the website as part of our response.

Regards

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Brazil: Forest Information to Support Public and Private Sectors in Management Initiatives

(FIP Project)

BR-T1277

Responses to UK requests

A. CLARIFICATIONS
BACKGROUND AND PROJECT OVERVIEW:
* Permanence of information availability (page 3), will this data collection, analysis and dissemination continue after this FIP funding has ceased? How will the long term maintenance, management and update of the NFIS Portal be managed/funded. Related to this: in Annex 2, data collection at sampling points stops in Year 3, and processing stops in Year 4. What happens after this?
NFIS will be funded by the federal government after the project ends. These costs are expected to be lower than initial costs to implement NFIS as agreements with data providers and data quality monitoring will already be in place.   NFIS is a legal obligation under the law of creation of the Brazilian Forest Service -SFB (Law11.284/2006, Article 55 paragraph VI). Moreover, NFIS is part of the Pluriannual Plan (PPA) of the Brazilian Government - (2012-2015). However, PPA does not foresee sufficient resources for NFIS specific implementation in the Cerrado.   The NFI is expected to be a continuous project. It is coordinated by the Brazilian Forest Service and sample points are measured every 5 years. For the FIP Project we only presented NFI activities for a 4 year timeframe. NFI is also a legal obligation of the government according to the Law for the Protection of Native Vegetation (Law 12.651/2012), Article 71.
* Wider context /background to the existing NFIS and its existing success – it would be great to get a greater articulation of the success and world leading status of the existing NFIS system, and how this new Cerrado focuses module will fit into the existing NFIS. How robust is the current system and how will this be carried into this new module for the Cerrado?
NFIS aims to collect, produce, organize, store, process and disseminate data, information and knowledge on forests (natural and planted) and forest sector, in order to subsidize projects and policies that conciliate the use and conservation of forests in Brazil . Currently the NFIS is a platform for information access. FIP Cerrado will be a catalyser for the construction of the information system and NFIS Cerrado that will serve as a pilot for the other biomes.
* Understanding how the NFIS is being used at the moment – to answer what questions – this is helpful for us to understand the climate change mitigation potential and also VFM.

Every two years, information available in NFIS are systematized for producing a publication entitled *Brazilian Forests at a glance*. NFIS doesn`t produce specific information on climate change mitigation. However, the information generated on forests in Brazil is used by other government agencies that work specifically with climate change.

* How does the / will the NFIS be linked to the current Brazilian forest / land-use satellite-data system (through INPE and similar)? What are / from whom are the sources of satellite data for this new module?

There is no land-use satellite-data system in place to monitor deforestation in the Cerrado biome. As such there is no information currently available for monitoring land use change in this biome. This gap will be covered by FIP IP project
"Implementation of an early-warning system for preventing forest fires and a system for monitoring the vegetation cover" carried out by the WB and the Ministry of Science, Technology and Innovation which will use the NFIS website to disseminate information on forest fires. This is an example of complementarity and synergy among the different projects included in the FIP IP of Brazil.
In addition, the Ministry of Environment has recently bought high-resolution satellite imagery to assess land use and land use change throughout the Cerrado biome.

* How does this project link to other FIP project proposals within Brazil's FIP Investment Plan? (no reference currently really given?)

Brazil Investment Plan includes two thematic areas and four projects as follows: Theme 1 - Management ofdisturbed areas: 1.1 - Environmental regularization of rural properties (based on Rural Environmental Registry (CAR) , and 1.2 - sustainable production in areas already converted to agricultural use (based on the ABC Plan). Theme 2 - Generation and Management of forest Information : 2.1 - Information -oriented management for forest conservation and enhancement of forest resources in the Cerrado by public and private sectors , and 2.2 - Implementation of an early warning system forforest fire prevention and a system of monitoring of vegetation cover .
The Project 2.1 (NFI NFIS) qualifies the information on remaining forest areas mapped by CAR , providing data on the density and diversity. These two projects combine efforts to allow the carbon stock estimates are more accurate. Another added benefit is the identification of neighboring areas , to be used as springboard ecological sense in these areas are used to collect seeds to produce seedlings for the rehabilitation of degraded areas , and to guide the establishment of ecological corridors . IFN allow the identification of land ward or points of high biodiversity .
Another synergy will come with the combination of forest information and monitoring system to be developed by projects 2.1 (NFI NFIS), 2.2 (Fire Warning Systems and Monitoring) and 1.1 (CAR) . The chain of accountability and monitoring of deforestation and illegal burning will have a powerful tool when CAR and detection systems for satellites are combined . Farmers have documented their property so that when fires or deforestation are detected, forest policy makers have a quick definition of responsibility, due to the simple

combination of information .

Summarizing, this project (2.1) will provide information regarding current land use in the Cerrado biomes as well as carbon estimates for different forest types and this will allow other projects to better estimate carbon benefits as well as the FIP project footprint over time.
Also, as specified above, it will be complementary with the land use and fire monitoring Project "Implementation of an early-warning system for preventing forest fires and a system for monitoring the vegetation cover" carried out by the WB.

Moreover,an Inter-ministerial Comitee was established to enhance synergies and cooperation among the different projects.

* Links to the: "Theory of Change" Diagram (currently unable to access)

The file has been sent in Portuguese language. It has been translated and attached to this table.

EXPECTED RESULTS:

* Results matrix: Component 2, 2.2. Outputs are measured in downloads, please could further clarification be provided on who the project anticipates will be downloading documents, which sector etc. What level / degree of analysis has been done on this?

The information provided will be open to the public (through an open website) and in this sense it will represent a public good.
An exploratory analysis was carried out during the public consultations which took into account different stakeholders (Federal Government, State, District and Municip, Academic Setor, Civil Society, Private Sector, NGO´s and International Organizations) in order to understand the demand for forest information.
The information will also represent an enabling factor for policy makers to make informed decisions regarding land use policies. On the other hand, project developers (public and private) can have access to information to determine project benchmarks and to assess the impact of FIP projects.

In order to realize the download of information, while accessing the NFIS, users will have to complete the "user profile" that will allow the Brazilian Forest Service to control and compile information about who (and from what sector) will be using the information system. The survey will also provide details about what people consider as prioritary information, if the person could find what was searched or not.

*   Also there is a potential amendment or clarification required in the table component 2.2. Point 1.3 indicates that in Year 1 there will be 0 number of sampling points with data processed and analysed, yet in point 2.2 in Year 1, 5,000 downloads are estimated. Does this download figure need to be moved on by a year (e.g. 0 in Year 1; 5,000 in Year 2? Or……?

Data from the NFI is not the only information to be made available in the NFIS. Other data, such as statistics on forest products production and commercialization gathered by Brazilian Statistics Institute and also other information related to forests from different institutions will be available earlier than the data processed through the NFI. This information alone would be of interest to the public and we estimate at least 5000 downloads of data /year.

*   Overall, it would be good to get a more explicit idea of how the information generated will be used; this would make it easier to obtain an idea of the economic facet of the impacts. The project does make clear what the causal pathway is, but there is no attempt to subsequently quantify the outcomes or impact in terms of emissions savings, avoided deforestation or improved income generation: "This Technical Cooperation (TC) is part of Brazil's Investment Plan (IP) for the Forest Investment Program (FIP), which seeks to promote the sustainable use of land and the improvement of forest management in the Cerrado Biome, thus helping to reduce pressure on remaining forests, decrease greenhouse gas (GHG) emissions and increase carbon sequestration. It finances the generation and dissemination of forest information to support public and private sectors in management initiatives aimed at the conservation and enhancement of forest resources in the Cerrado biome." (from paragraph 2.2 of the main document, on page 3).

The information will be made available to the general public through the NFIS. The use of this information is expected to impact land use; however the specific consequences or types of use for this information are not controlled by this project. As such, we expect the information to impact management by public and private agents but within a timeframe and scope that exceeds project control. In terms of public use of the information we know that it will be used for reporting emissions by other FIP IP projects (such as CAR and low carbon agriculture) and also will be used to estimate baseline carbon stocks for the whole Cerrado biome.

*   Outcomes:

•   It would be good to get a (better) sense of who the beneficiaries are (what sectors, how many) and how this may lead to indirect income for beneficiaries in the future?

•   Can further information / clarity / detail be provided on the Enabling conditions created through information generation for future policies and norms / number of policies outcome. How does this link to outcome 1?

According to public consultations mentioned above there will be great demand for the data produced by NFIS and NFI. However it is not possible at this time to estimate precisely indirect income for beneficiaries.

Different public policies such as Climate Change, LULUCF and Ecological Economic Zoning - ZEE can benefit from the data generated by NFIS and NFI. It is not possible to estimate the number of policies outcome. However, the data generated will induce public policy enhacement in the areas mentioned above.

*   Link to: "stakeholder consultation report" and "Theory of Change" (currently unable to access)

Documents provided in Portuguese language. Translation not required by IDB Board as not mandatory documents."Theory of Changes" has been translated and attached to this table.

COST EFFECTIVENESS:

*   It is very difficult for us to assess the cost effectiveness of the project based on the information currently provided, because of the nature of the project (e.g. no direct reductions in emissions expected). Would it be possible to share with us any analysis that has been undertaken on cost-effectiveness? (even if that is on a comparable unit cost basis for the technology or plot sampling – e.g. for both components of the project). Understanding more clearly what assumptions have been made would be useful. Also clarity on how (and if) there is a good understanding (or not) of how this intervention will change the behaviour of users would be useful.

The IDB Board does not require a cost effectiveness analysis for Technical Cooperation projects. For this reason it has not been done. However, an extensive analysis of the potential risks of the project was carried out. Main risks identified are listed in table 2 of the TC document.

SAFEGUARDS:

*   Page 4: there could be an explicit mention of "ecosystem services" and "biodiversity" here, and it would be good to get an idea of who the local population is (mentioned in para 3.2)?

Documents, in description of component 1, was added the mention of "ecosystem services" and "biodiversity" as follows:
"This component will finance: a) sampling and field collection of biophysical and socio-environmental data on forest resources and land use in the Cerrado biome; b) analysis of landscape samples for the study of forest fragmentation and land use in the Cerrado biome; and c) the integration of these data in the mapping of vegetation in the Cerrado biome and the dissemination of information. This will enable the production and dissemination of information on biodiversity and ecosystem services in the Cerrado biome, among others areas of knowledge. At the end of the project, decision makers and society in general will have accurate estimates of

the area of forest cover and land use; forest degradation; regenerating forests; occurrence of endangered or threatened species; forest (volume and biomass) and carbon stocks above and below ground; diversity of forest tree species; forest management; forest dynamics; health and vitality of forests; characteristics of under-forest soil; forest fragmentation; proportion of other vegetation cover and classes of land use; trees outside the forests; and socioeconomic data such as local use of forest products and services by rural populations (whether traditional or not), and their perception of the importance of these resources in the Cerrado biome."

3.2 Refers to rural populations whether traditional (indigenous populations and quilombolas) or not (farmers, both established in the area over generations or recent migrations). Fild measurements as well as socio-economic surveys will not be carried out without a free prior informed consent.

* Link to: "Safeguard Policy filter Report"/ Stakeholders Consultation Report (currently unable to access)

Documents provided in Portuguese language. Translation not required by IDB Board as not mandatory documents.

Based on the Bank's policy of Environmental Compliance and Safeguards (OP-703), and taking into account the objectives, impacts and risks considered for this CT, this operation is classified as category C. Safeguard Policy Filter Report and Safeguard Screening Form in English have been attached to this table and indicates that the activities financed by this operation, basically the generation and dissemination of information, have no direct or indirect negative impacts, social or environmental.

Figure 1: Logical Structure / Theory of Change

Activities	Products	Results	Impacts

IMPLEMENT NFI IN THE CERRADO BIOME
- Establish and improve Institutional capacity and partnerships.
- Collect, process and analyse data and information about Cerrado forest resources.
- Disseminate NFI information.

CONSOLIDATE THE NATIONAL FOREST INFORMATION SYSTEM
- Establish demands for priority information, identified sources and provision arrangements.
- Manage and operate the Information system.
- Collect, process, store, analyze and disseminate information to clients.

- Database on Cerrado Forest resources consolidated and made available for client consultation.

- Ample dissemination program to promote use of the information generated by the NFI and NFIS.

- National Forest Information System consolidated and made available.

- Information dissemination on forest resources and land use in the Cerrado biome.

- Consolidated platform on the country's forest resources.

- Quality norm consolidation for the collection of forest information.

- Use of timely and quality information by decision makers from the public and private sectors, contributing to the promotion of sustainable programs aimed at mitigating GHG emissions.

- Generation and dissemination of forestry information for management oriented towards the conservation and enhancement of forest resources in the Cerrado.

ASSUMPTIONS

- Cerrado biome is strategic for the economy and food security of the states of Brazil.
- There is an unmet demand for quality forest information.
- There is no mechanism for the production and promotion of timely, accurate, and quality information, that would contribute to add value to the biome's forest resources.
- High risk of difficulty in hiring companies to develop activities within specifications and deadlines is mitigated accordingly. In the specific case of the inventory the risk of not achieving high numbers of sampling points is also overcome.
- Forest data producers exist, are identified, produce information systematically, and are interested in participating in the SNIF arrangements through the provision of information while following the data provision agreements.
- Information generated / produced by the project has the quality and comprehensiveness expected.

ASSUMPTIONS

- Need and interests of clients in information generate incentives for continuous updating of information.

- Government committed to the generation of quality forest information.

- Policy instruments capable of producing timely and quality information.

- Information is fundamental for decision-making by public and private sectors.

- Sustainable land use and improvement in forest management in the Cerrado Biome, due to the implementation of the project.

- With the generation of information on forest resources it will be possible to promote sustainable land use and improve forest management in the Cerrado Biome, helping to reduce pressure on remaining forests, reduce emissions of greenhouse gases (GHG) and increase sequestration of CO_2.