

Aide Memoire
Forest Investment Program (FIP) in Cambodia
First Joint Mission
Phnom Penh, 03–07 October, 2016

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I. Background

1. The First Joint Mission (herein referred to as “the Mission”) for the Forest Investment Program (FIP) under the Climate Investment Funds (CIF) was undertaken from 3-7 October 2016 in Phnom Penh, Cambodia. The Mission was led by the Forestry Administration (FA) of the Ministry of Agriculture and Fisheries, in partnership with the Asian Development Bank (ADB) and the World Bank (WB).¹ The overall goal of the Mission was to support the Royal Government of Cambodia (RGC) to prepare a FIP Investment Plan (herein referred to as FIP-IP) for Cambodia.

2. The purpose of the FIP is to support developing countries’ efforts to reduce greenhouse gas (GHG) emissions from deforestation and forest degradation and promote sustainable forest management and enhancement of forest carbon stocks (REDD+). The FIP contributes to multiple benefits such as biodiversity conservation, protection of the rights of indigenous peoples and local communities, poverty reduction and rural livelihoods.

3. The objectives of the FIP are to (i) initiate and facilitate steps towards transformational change in developing countries’ forest related policies and practices; (ii) pilot replicable models to generate understanding of the links between sustainable forest management (SFM), policy measures and long-term GHG emissions reductions and conservation; (iii) facilitate the leveraging of additional financing resources for REDD+; and (iv) provide valuable experience and feedback in the context of the United Nations Framework Convention on Climate Change (UNFCCC) deliberations.

4. The RGC submitted an expression of interest to be a pilot country for the FIP. In May, 2015 the FIP Sub-committee selected nine² countries to receive US\$250,000 each to prepare investment plans. The Ministry of Economy and Finance (MEF) of the RGC designated the FA of MAFF as the FIP focal point in Cambodia. It has been agreed that the FIP-IP preparation will be undertaken in partnership with the General Department of Administration for Nature Conservation and Protection (GDANCP) of the Ministry of Environment (MOE) and the Fisheries Administration (FIA) of MAFF.

5. The RGC requested in November 2015 for ADB to take on the role of lead multilateral development bank to coordinate the technical and financial support for the FIP-IP preparation. In July 2016, ADB and the World Bank agreed to work together for the preparation of the FIP-IP for Cambodia. The International Finance Corporation (IFC) has not yet decided to join the preparation process, but may consider contributing later if there are viable opportunities for private sector engagement.

¹ The mission members were Dr. Khorn Saret, Deputy Director, Department of Forest and Community Forestry, and Head of National REDD+ Taskforce Secretariat; Uy Kamal, Deputy Director, Climate Change Department, and Deputy Head of National REDD+ Taskforce, Bruce Dunn, Principal Environment Specialist, ADB; Robert Davis, Senior Forestry Specialist and Meerim Shakirova, Operations Analyst, WB. Thuy Trang Dang, Environment Specialist, ADB; and Mia Hyun, Social Development Specialist, ADB, joined selected meetings. Support from other staff of FA, MAFF is gratefully acknowledged.

² Bangladesh, Cambodia, Cameroon, Guyana, Honduras, Rwanda, Tunisia, Uganda and Zambia.

6. The indicative timeframe for FIP-IP preparation is between October 2016 and March 2017, with the plan expected to be endorsed by the RGC by May 2017 and submitted to the FIP Sub-Committee (FIP-SC) for consideration at the FIP-SC June 2017 meeting. The FIP-IP implementation is expected to be undertaken in parallel with the first phase of the National REDD+ Strategy implementation period from 2017-2021.

7. The objective of the Mission was to assist the RGC with consultations with key stakeholders and the analysis of relevant development plans, policies, and strategies. The Mission also discussed progress with the engagement of a consultant team to support the FIP investment plan preparation; and reviewed the proposed preparation schedule and deadlines. The discussion held during the Mission build on earlier consultations undertaken during an a scoping Mission conducted by ADB in December 2016.

8. The Mission held discussions with government representatives, including members of the Cambodia REDD+ Taskforce³, national and international civil society organizations (CSOs), representatives of communities and indigenous peoples (including representatives of community forestry, fisheries and protected areas), and development partners. A meeting was also scheduled with the private sector; however this did not take place due to scheduling challenges with private sector representatives. Additional focus on engagement with the private sector will be needed for the next Mission.

9. The Mission informed the stakeholders about the FIP, the steps involved in FIP-IP preparation, and the proposed timelines for preparing the FIP-IP. The Mission also had brief courtesy meetings with H.E. Dr. Say Samal, Minister of Environment and H.E. Mr Has Sareth, Secretary of State, Ministry of Agriculture, Forestry and Fisheries. The purposes of the meetings were to receive advice on priorities for the FIP-IP; confirm institutional arrangements for the process; and discuss financial resource mobilization strategy.

10. The Mission schedule is provided in Annex 1. A list of persons met is provided in Annex 2. Presentations delivered during the stakeholder meetings are provided in Annex 3. Terms of reference (TORs) for the consultant team are provided in Annex 4. The findings and recommendations of the aide memoire were discussed at a wrap-up meeting chaired by Dr Khorn Saret, from FA on 7 October, 2016. The contents of the Aide Memoire are subject to approval of higher authorities with the RGC and ADB.

II. Mission Findings

A. Policy context

11. The preparation of the FIP-IP is being undertaken at a time when the RGC is undertaking a number of significant policy and institutional reforms. In May 2015, the RGC issued a sub-decree on the new structure of MOE to improve its effectiveness in managing natural resources and environment. The Ministry also announced its goal to develop the

³ The Cambodia REDD+ Taskforce, established on 26 February 2013 is chaired by the Deputy Director General of FA, and vice-chaired by the Deputy Director General of General Department of Natural Protection and Conservation of MOE. Other members of the Taskforce include representatives of the Ministry of Interior, MEF, Ministry of Mines and Energy, Ministry of Rural Development, Department of Aquatic Conservation of the FA, Technical Deputy Director General of the MOE, Department of Wildlife and Biodiversity of FA, State Conservation Office, and Department of Land Conservation of the Ministry of Land Management Urbanization and Construction (<http://www.cambodia-redd.org/category/national-redd-framework/redd-taskforce#sthash.423Y0lhK.pdf>)

National Environmental Strategy and Action Plan (2016-2023) to mainstream environmental concerns into line-ministry policies and planning. At the same time, the RGC issued a royal decree to establish the National Council for Sustainable Development (NCSD) to facilitate high-level political decisions on issues relating to sustainable development that concern more than one ministry.

12. In February, 2016, the Prime Minister officially announced a jurisdictional reform on natural resources management (NRM). The initial stage of this has focused upon reforms affecting MAFF and MOE, redefining their roles in relation to NRM. With these changes, MoE has a primary mandate for protection and conservation of NRM, while MAFF will focus on the sustainable developmental aspects of NRM. In terms of the forest estate, MAFF maintains a mandate for the management of production forests consisting of community forestry, conservation forests, mangroves and flooded forests, as well as economic land concessions (ELCs) within these areas. MOE is responsible for protected areas including community protected areas, and protection forests, as well as ELCs within these areas.

13. Since 2015, the preparation of a new Environmental Code has been initiated. The Code is expected to establish overarching legal principles to guide the implementation of existing laws for the achievement of sustainable development, including clarify the roles and mandates for governing natural resources. A new Environmental Impact Assessment (EIA) law is also expected to be included.

14. Reforms to economic land concessions (ELCs) are under way. Recently a review has been undertaken and some ELCs have been cancelled. The lease periods for some ELCs has been shorted from 99 years to 50 years. Some inactive ELCs may also be cancelled after further review. The RGC has stated that it is not issuing any further ELCs.

15. The draft National REDD+ Strategy, Version 6, (NRS) for 2016 to 2025 is in the final stages of preparation and is expected to be approved in 2016. The vision of the NRS is to contribute to national and global climate change mitigation through improved forest land management and sustainable biodiversity conservation. The goal is to reduce deforestation and forest degradation through enhancement of management, forestry development, enhanced carbon stocks and poverty alleviation. The initial phase of the NRS is proposed to focus on addressing deforestation issues, while building capacity to address forest degradation in a subsequent iteration. Three connected strategic objectives are also identified: (i) improve the effectiveness of management and monitoring of the forest resources and the utilization of forest land; (ii) encourage implementation of sustainable forest management activities; and (iii) promote stakeholder participation and enhance capacities, knowledge and awareness to implement the national strategy.

16. Building on REDD+ readiness actions undertaken since 2008, the first phase of the NRS will prioritize access to up-front non-results based finances that will help Cambodia transition to REDD+ implementation. A review will be undertaken in 2020 to determine and provide a specific timeline for results based payments from 2021 to 2025. Detailed and prioritized action plans are also proposed to be developed, including an action plan for strategic knowledge management and coordination, an M&E framework, as well as institutional and financial arrangements for implementation.

17. Stakeholder consultation during the Mission also highlighted a range of other existing or planned strategies, programs / plans that should be considered. These included the current National Forest Program and National Protected Areas Strategic Management Plan, which is in

the final draft stage. A full analysis of relevant laws, regulations and strategic documents will need to be undertaken as part of the further FIP-IP preparation by the consultant team.

B. Meeting with Government Representatives

18. The Mission held a consultation with members of the REDD+ Taskforce and representatives from various line-ministries. The meeting was chaired by H.E. Dr. Chheng Kimsun, Head of Forestry Administration (FA). The Mission was informed that REDD+ implementation in Cambodia, as in other countries, comprises three phases: (i) readiness, (ii) implementation and (iii) results-based payments for verified emissions reductions. Participants noted that FIP could contribute to Cambodia's transition from REDD+ readiness to the implementation phase (from 2017 to 2021) through support for: (i) NRS, (ii) national forest monitoring system (NFMS), (iii) REDD+ safeguards information system (SIS), and (iv) the forest reference level (FRL). This should provide a strong basis for Phase 3, which is expected to be operational in 2022.

19. The Mission was informed that the NRS and FRL are expected to be approved before the end of 2016 and will be submitted to the UNFCCC before the upcoming 22nd Conference of the Parties (COP 22). Cambodia's Intended Nationally Determined Contribution (INDC) submitted to the UNFCCC in 2015 will also be updated and submitted to the UNFCCC as Cambodia's Nationally Determined Contribution (NDC) in 2016.

20. The Mission presented the FIP investment criteria based on the FIP Operational Guidelines (2010) These include: climate change mitigation potential; consistency with FIP objectives and principles including Integrating sustainable development; addressing direct and underlying drivers of deforestation and forest degradation; inclusive processes and participation of all important stakeholders, including indigenous peoples and local communities; demonstration potential at scale; safeguarding the integrity of natural forests; economic and financial viability; and capacity building. In addition it was clarified that the RGC can consider other applicable criteria such as consistency with national development goals and priorities.

21. The importance of FIP in supporting REDD+ implementation at sub-national levels was emphasized by several representatives. This could include support for landscape management and biodiversity corridors, and/or project level demonstrations set within the context of a national approach. To be effective, landscape level planning will need to be supported through assessments, mapping, and more integrated land-use planning.

22. Representatives of several ministries acknowledged that participation, leadership, ownership and responsibility of local communities in REDD+ is vital. They noted that FIP could support community-based forest management (CBFM) initiatives and strengthen skills of local communities in leading the projects by themselves. This could include support for implementing existing community forest management plans. Linked to this, there is a need to address tenure rights and security to provide greater incentives for long-term management.

23. FA and other participants noted that support for community livelihoods was a priority that has been emphasized by the Prime Minister. Support for community livelihood activities should focus on reducing forest dependence through sustainable and climate smart-agriculture, access to social infrastructure services and sustainable forest management. Demand for timber and fuel wood are very high and sustainable production models are needed. Small and medium enterprises focusing on bamboo, rattan, and ecotourism could also provide substantial co-benefits. They also stressed that the private sector could play a critical role in supporting the

provincial governments and local communities, but further work is needed to engage the private sector.

24. Improved management of protected areas was highlighted by MOE, including the need for the demarcation of boundaries following different zonation categories. To be effective, demarcation needs to be done with local communities. The need to crack-down on illegal logging was highlighted, as was support for increased patrolling of protected areas. Training and equipment for rangers to patrol conservation areas needs to be increased.

25. The rehabilitation of degraded lands and forests was also suggested as a potential area for the FIP. Currently the draft NRS focuses on deforestation issues, however there is a need to also restore productivity in degraded lands and forest through silviculture application, afforestation and reforestation. This could provide community timber and fuelwood resources and reduce pressure on conservation areas. Protection of watersheds also needs consideration.

26. Financial resource mobilization. The Mission informed participants that one could envision the preparation of an FIP-IP with 3 scenarios – low (\$25-30 million), medium (\$40-60 million) and high (\$80-100 million). The Mission clarified however that at this stage the FIP has only allocated a preparation grant for Cambodia and there is no investment financing earmarked under the FIP for the implementation stage. Further, neither ADB nor the World Bank currently have any projects included within their country programming strategies and business plans that could support the plan implementation. Thus, the investment plan needs to include the development of a resource mobilization strategy. Furthermore, it will be important for the RGC to consider an outreach strategy and engage with various funding sources. This could include bilateral donors, the Green Climate Fund (GCF) and the Global Environment Facility (GEF) among others. FA informed the Mission that financial resource mobilization would need to be discussed with MEF. The Head of FA, H.E. Dr Chheng Kimsun also emphasized that the resource mobilization should focus on grants rather than loans.

27. Safeguards. In response to a question on the safeguard systems that will be applicable to the FIP-IP preparation, the Mission clarified that preparation and implementation of the investments will follow the respective MDB procedures, including social and environmental safeguards, procurement and financial management. However, it was noted that as the first stage is to develop only an investment plan, which is a strategic document, detailed safeguard assessments would not be required for the FIP-IP, except for outlining how safeguards would be applied in the context of concept notes for specific investments. More detailed assessment would be needed in the subsequent development of projects. In addition, the Mission highlighted the need for the plan to discuss the current status of environmental and social safeguard systems in Cambodia, and to outline the proposed national SIS for REDD+ and any gaps and capacity constraints that would need to be addressed as part of the FIP-IP implementation. It was suggested that the FIP-IP preparation should include consultations with the SIS team in FA.

28. During a courtesy meeting, H.E. Dr. Say Samal, Minister of Environment highlighted the need to reform the management system for protected areas; and informed the Mission about a proposed new landscape management initiative that would include corridors linking protected areas, co-management arrangements with local communities, and stronger enforcement and patrolling. In addition, the Minister indicated the need to address land disputes and tenure issues by modernizing land registration and land use planning. Improving the living standards of the people is also critical. To support this, agricultural value chains need to be improved by examining the economic returns from different commodities, modernizing processing facilities,

and improving international market access. Establishing payment for ecosystem services (PES) schemes should be explored to incentivize sustainable tourism and water resource protection.

29. H.E. Mr Has Sareth, Secretary of State, Ministry of Agriculture, Forestry and Fisheries indicated MAFF's strong support for the preparation of the FIP-IP, which needs to be contextualized within current policy and policy frameworks. Cambodia still has sizable forest lands and the protection of existing forests is a priority. Many protection measures are already being implemented, however forest boundary demarcation needs to be implemented, working closely with local communities and stakeholders. Improving livelihoods is key to reducing pressure on forests. Demand for fuelwood and timber needs to be addressed and it was suggested that the private sector could be involved in growing trees on public lands. With respect to financial resources, H.E. Mr Has Sareth indicated MAFF's preference for the mobilization of grant resources, while the Mission suggested that concession loans might also be considered to support economically viable private sector investment in sustainable agriculture and forestry.

C. Meeting with Civil Society Organizations

30. The Mission stressed the importance of engaging civil society organizations (CSOs) in formulating the FIP-IP. The Mission informed the participants that CSOs could play an important role in the FIP such as capacity building, awareness raising, safeguards, planning, and implementation. In terms of involving CSOs in preparation of the FIP-IP, the Mission noted that the REDD+ Consultation Group can play an important role.

31. Several CSO representatives noted that ensuring the rights of communities to forests is quite critical and that FIP should support investments in community forestry. They also recommended that the FIP should support conservation agreements to improve livelihoods and services to the community in exchange for reducing unsustainable forest practices. They also noted that FIP projects should build on and effectively link with other ongoing initiatives on sustainable forest management.

32. Several Indigenous People's representatives participated in the consultation and noted challenges with the current approach to community forest management. The process to register land is slow, and there is a lack of support from relevant institutions. Some community management plans have been prepared, but the approval process is slow and efforts to protect forests are not effective. Other challenges include a lack of awareness, and the need to roll out further awareness-raising and training to indigenous people in rural communities. A lack of awareness can lead to limited participation or discrimination in the investment planning process. Producing awareness-raising materials including videos in local language on how to slow down deforestation would be helpful. Improving livelihood was emphasized. The promotion of sustainable agriculture through more technical support and improved market access for products should be considered. Commune investment funds could support this.

33. Conflict resolution is a challenge. In the past there has been funding for the organization of workshops to share issues, but no funding to support the preparation of plans to address these issues. The lack of boundary demarcation in the field is already a source of conflict in some areas. Material support for communities to do patrols is also needed.

34. The Vishnu Law Group, who is supporting MOE to develop a new Environment Code, provided an update on some areas that are being considered. It is anticipated that the Code will include a new mechanism for managing protected areas, with simpler procedures for establishing forest co-management, and clarifications on the role that local people can play as

community rangers. The Code is also expected to provide specific land tenure rights to communities in protected areas. It may establish specific funds to support protection activities and will promote eco-tourism. It is anticipated that the Code will be enacted in early 2017. The FIP could consider providing support for implementation of the Code; however this would need to be further discussed with relevant agencies.

35. The Mission requested guidance from the Indigenous Peoples' representatives on how best to organize meaningful consultations with the communities. One representative indicated that so far a lot of consultations have been undertaken at the national level, and consultation at sub-national levels have been very shallow. Stakeholder consultations should be organized by province and should engage with community members as well as provincial governors. A broad range of stakeholders should participate including line ministries, military, and police, so that they can understand the importance of natural resources for the whole country.

36. In response to a query on whether CSOs could directly get funding from the FIP, the Mission noted that the current efforts are aimed at preparing the FIP-IP. The FIP-IP may include projects that could focus on providing support to CSOs involved in REDD+ activities. It was also clarified that the FIP funding for Cambodia does not currently include a FIP Dedicated Grant Mechanism for Indigenous People. However, this would not prevent the plan from including specific proposals to support Indigenous People.

D. Meeting with Development Partners

37. The Mission noted that there are several ongoing REDD+ projects supported by development partners and international non-government organizations (e.g., Conservation International, FAO, FCPF, JICA, UNDP, UN-REDD, USAID, WCS, and others) that are particularly relevant to the preparation of the FIP-IP. The Mission encouraged dialogue and exchange with development partners to identify challenges, good practices and for coordination.

38. Several development partners noted the RGCs ongoing efforts towards institutional and legal reform, including the ongoing development of the Environmental Code. While these reforms are seen as positive, implementation will be challenging and needs support.

39. Similar to the consultation with government agencies and CSOs, several development partners noted the need to strengthen the implementation of community forest management, while also noting that a lack of land tenure rights was a key constraint. Restrictions on the legal harvesting of timber are seen as a major constraint. Paradoxically, the moratorium on timber extraction may be driving illegal logging due to an absence of sustainable timber production to meet supply.

40. Good practice examples for community forest management are needed. UNDP noted that they have developed and can share policy briefs on community forestry and community protected areas. Guidelines for co-management based on lessons learned from other countries have also been prepared.

41. The need to improve the frequency and effectiveness of patrols was highlighted, including greater coordination between local communities, forest rangers and police. Improvements in evidence collection are needed to ensure convictions. Financial resources are needed for this. Communities could also benefit from receiving a proportion of fines imposed.

42. Several partners noted the need to strengthen land use planning. UNDP is currently supporting efforts to gather existing data from various sources. UNDP suggested that this needs to be consolidated to support more integrated planning processes with data on land use, ecosystem services, climate change, agriculture and infrastructure. CI mentioned that there have been previous efforts to support participatory land use planning at village and commune levels, but these have not been effective and there are conflicts with ELCs. Past efforts and lessons need to be evaluated.

43. Both CI and RECOFT highlighted the potential for eco-tourism as a mechanism for revenue generation with local communities. Some communities have already been provided with support, but there is a need for greater collaboration with the Ministry of Tourism. In addition it was noted that not all community protected areas or community forests have eco-tourism potential, so tourism can only be part of the solution.

44. Resource mobilization and sustainable finance for forest management and conservation is considered a priority. CI mentioned that they are working with the Government to establish a trust fund for the conservation of the Cardamom Mountains. Currently international NGOs are supporting the protection and management of a number of protected areas (indicated by CI to be at about 1 million ha), however the forest estate is significantly larger and sustainable financial mechanisms are needed to ensure effective management. With respect to carbon finance, USAID mentioned that the Walt Disney Company has recently purchased (July 2016) \$2.6 million in carbon credits as an offset for 360,000 tonnes worth of carbon emissions from Keo Seima Wildlife Sanctuary in Mondulokuri Province. The purchase was brokered with support from the Wildlife Conservation Society (WCS). The funding is expected to support on ground activities to stop deforestation and encourage sustainable practices. WWF is currently assessing the economic value of conservation forests using the INVEST tool.

45. Several partners noted ongoing efforts to increase private sector participation. For example, USAID highlighted support for entrepreneurs who focus on non-timber forest products, helping to link them with business development service providers in order to increase access to technology, equipment and credit. Groupe Energies Renouvelables, Environnement et Solidarités (GERES) also highlighted their work to assist local industries with sustainable biomass fuel production. Overall it was suggested that there is a need for replicable models for environmentally sustainable investment, including good practices in planning, management and monitoring of ELCs. The feasibility of timber certification also needs to be studied, including the costs and benefits for producers, as well as enabling regulatory mechanisms and financial stimulus. Care is needed however in developing ELCs close to protected areas. Its activities.

46. Ongoing work to support the NFMS, SIS and FRL were noted by FAO, who informed the team that the Forest Carbon Partnership Facility (FCPF) had recently approved an additional \$5 million grant to support the further development of these. UNDP and FAO will be the implementing partners. USAID also highlighted data gaps and indicated that they are currently conducting a study on forest carbon accounting in flooded forests.

47. The Mission participated as an observer at the workshop “Draft Co-Management Instrument and Guideline for Cambodia” sponsored by Vishnu Law Group. Vishnu Law Group presented aspects concerning the proposed instrument and its relationship to the development of the Environmental Code for Cambodia. Information was presented on draft guidelines for co-management of protected areas and proposed pilot communities. The prospect of co-management has important implications for REDD+ in that by helping to ensure the protection and sustainable management of forests, communities may have a positive role in issues that

contribute to climate change mitigation, while ensuring the preservation of their livelihoods and traditions.

48. The Mission noted that further work is needed to map activities of the different development partners so that the FIP-IP can be well planned to address gaps and encourage synergies with other partners. This will be undertaken by the consultant team in November-December 2016.

E. Priorities for FIP Investment Plan

5. The Mission noted that priorities for FIP-IP will be guided by the NRS, NFMS, SIS and FRL, National Forest Program, among others. Most of the stakeholders agreed that FIP-IP should focus on two main areas: (i) REDD+ policy support, and capacity building at national and sub-national levels, and (ii) REDD+ implementation at sub-national levels.

49. With regard to policy support, the FIP-IP may include a focus on upstream issues to facilitate the enabling environment for REDD+ activities and provide a body of technical and scientific information required for eventual investments. Some of the early areas identified include:

- Strengthening the national forest inventory and forest monitoring system including the measurement of biomass and carbon stocks
- Assessment of ecosystem system services and valuation, particularly at landscape levels to support investment planning and prioritization
- Strengthening of integrated cross-sectoral land use planning
- Conceptual development of payment for ecosystem services (PES) schemes for REDD+, including for all types of forests
- Further development of the SIS and possible implementation support for the Environmental Code to avoid, mitigate, manage and monitor environmental and social safeguard issues.
- Financial and economic analyses for different REDD+ interventions and sustainable livelihood options to help understand their viability in the context of climate change mitigation.
- Strengthening land-use rights and policies that relate to REDD+
- Capacity building for various themes including, training for forest law enforcement, community forest management, and development of community protected area plans,
- Land-capability classification for REDD+ activities in the context of sustainable land management
- Analyses of wood supply needs to support planning for reforestation and forestry development
- Analysis of opportunities for linking private industry with green, renewable and sustainable lines of resource use to mitigate GHG emissions.

50. In terms of REDD+ implementation, information from government, CSOs and development partners pointed to a range of possible themes to support improved forest management, strengthened protected areas, and sustainable land management that could help abate climate change and GHG emissions from the forest sector. Specific areas suggested include:

- Introduction and expansion of sustainable forest management in natural forests, including third party certification

- Improved protection of conservation forests, including activities for co-management with forest communities
- Community forest management of natural forests for REDD+
- Developing the resource base and sustainable supply chains for fuelwood needed for industry, particularly the garment industry
- Integrated landscape management in critical biodiversity regions
- Promoting alternative livelihoods that reduce pressure on forests and GHG emissions
- Cooperation with the private sector, particularly small and medium enterprises, on sustainable agribusiness value chain development.
- Public private partnership development for ecotourism to support revenue generation and co-management of protected areas.

F. Structure of the Investment Plan

51. The Mission informed confirmed that the structure if the FIP-IP should follow the FIP guidelines. The plan would need to include the following sections:

- (i) Description of the country and sector context;
- (ii) Identification of opportunities for Greenhouse gas abatement;
- (iii) Enabling policy and regulatory environment;
- (iv) Expected Co-Benefits from FIP Investment;
- (v) Collaboration among Partners;
- (vi) Identification and rationale for projects and programs;
- (vii) Implementation potential and risk assessment;
- (viii) Financing plan and instruments;
- (ix) Results Framework for the Investment Plan.

52. Annexes to the FIP-IP should include a stakeholder involvement plan; FCPF/UNREDD Readiness Preparation Proposals, National REDD+ Strategy and Action Plans or equivalent (if available) and a Technical review of the FIP-IP by an expert/peer review group (from FCPF roster of experts). However, the Mission noted that there could be some flexibility with the structure, and it was suggested to include an annex with concept notes for proposed investment activities. ADB will request further clarification on this point will be requested from the CIF AU.

G. Consultant recruitment

53. The Mission informed the RGC that the recruitment of the consultant team was ongoing by ADB and should be completed by the end of October 2016. Six consultants are being recruited as per the below table. The Mission reviewed applicants for the consulting positions with FA. It was agreed that FA and MOE will provide further feedback to ADB on the candidates to be selected by 14 October 2016.

54. The consultant contracts will be administered by ADB (following ADB Guidelines on the Use of Consultants, 2013, as amended from time to time). The consultant team will report directly to FA on the development of the FIP-IP, and will be supported by ADB and the WB on technical issues and FIP operational guidelines. It was proposed that regular conference calls be held between the consultant team, FA and MOE, and ADB/WB to support the FIP-IP preparation process.

Table 1: Proposed consultant positions and person month inputs

Position	Inputs (months)
1. International REDD+ Specialist (Consultant Team Leader);	4
2. International Forest Economist / Climate Finance Specialist;	2
3. National Forest Expert (Policy and Institutions);	5
4. National Community Development and Livelihood Expert;	4
5. National Stakeholder Participation Expert;	3
6. National Administration and Coordination Assistant.	5

H. Institutional arrangements

55. It was proposed that a core group from the RGC will be established to guide the preparation of the FIP-IP. The FA of MAFF as the FIP focal point in Cambodia will lead the group in close in partnership with GDANCP of MOE; FiA of MAFF, and members of the Cambodia REDD+ Taskforce Secretariat. It was agreed that the FA will liaise with other agencies to confirm the names of the focal persons. This should be completed by the end of October 2016.

56. It was agreed that the FA will provide working spaces for the consultant team at FA headquarters. The consultants should also work directly with MOE as needed.

I. Other issues

57. In August 2016, the CIF Administrative Unit (CIF AU) asked the FIP pilot countries to express their interest in applying the Program on Forests (PROFOR) forest governance diagnostic tool to assess the quality of forest governance in FIP countries. The tool uses a participatory approach to involve and empower stakeholders to identify and develop forest governance reforms. The tool uses a range of indicators that cover various aspects of good forest governance, organized under three pillars—policy, legal, institutional and regulatory frameworks; planning and decision-making processes; and implementation, enforcement and compliance. To date the tool has been applied in Burkina Faso, Kenya, Lao PDR, Liberia, Madagascar, Russia, Congo DRC and Uganda, and it is currently under implementation in Mozambique.

58. The CIF AU has some resources that could support the application of the tool in one or two countries; and the RGC has expressed its interest in potentially applying the tool. The Mission discussed the potential application of the tool in Cambodia as part of the FIP-IP preparation and agreed to follow up on this further with the CIF AU.

III. Implementation schedule

59. The table below sets out the agreed implementation plan for the FIP-IP preparation. The Mission noted that the timetable is extremely tight, but noted the commitment of all partners to work towards meeting the deadline to submit the FIP-IP to the FIP-Sub Committee for approval in June 2017. Prior to submission to the FIP, the draft FIP-IP should be endorsed by the RGC. FA indicated that at this may take 1-2 months; and good consultation and consensus among the

different line ministries is needed. The draft FIP-IP should also be disclosed by the government for public review at least 2 weeks prior to submission and preferably earlier. FA indicated that the process for disclosure will be discussed and confirmed by the time of the Second Joint Mission.

60. The Mission also highlighted that following the FIP guidelines, the draft FIP-IP will need to go through an independent expert review. The review will be organized by the CIF AU, with potential candidates to be identified by the ADB and WB in partnership with the FA. The review would focus on technical, social and environmental aspects for quality enhancement. This will complement the existing quality assurance procedures of ADB and the WB. During the Mission a review of experts eligible to serve as members of the Technical Advisory Panel established by the Forest Carbon Partnership Facility (FCPF)⁴ was undertaken. After the Mission, the ADB and the WB will complete the short listing of candidates and will inform the RGC on options.

Table 2: Proposed implementation schedule for the FIP-IP preparation

Activity	Responsibility	Deadline
Scoping Mission	RGC and ADB	December 2015
Request for FIP-IP Preparation Grant and MDB Country Programming Budget	ADB/WB	January 2016
Recruitment of consultants	ADB	August-October 2016
First Joint Mission	FA, ADB and WB	October 3-7 2016
First draft of FIP-IP circulated for review (English and Khmer)	FA, with consultant team.	16 January 2017
Sub-national consultations x2 (2 days each)	FA, with consultant team	January 2017
Second Joint Mission and national consultation in Phnom Penh	FA, ADB and WB	23-26 January 2017
Second sub-national consultation x2 (2 days each)	FA with consultant team	February 2017
Second national consultation in Phnom Penh	FA with consultant team	February 2017
Second draft of FIP-IP after incorporation of RGC comments (English and Khmer)	FA, with consultant team.	17 February 2017
Second Review by the Government Ministries and key stakeholders and feedback.	RGC	24 February 2017
Public disclosure - Posting of Final version of FIP-IP on MAFF web site for 2 weeks for public comments	RGC	24 February, 2017
Independent technical review the FIP-IP and incorporation of comments	RGC and ADB	24 February 2017 (complete by 10 March)
Pre-final draft FIP-IP (English and Khmer)	FA and	17 March 2017

⁴ See <http://www.forestcarbonpartnership.org/fcp/node/23>

Activity	Responsibility	Deadline
	consultant team	
High-level meeting on draft FIP-IP (with FA, FIA / MAFF, GDANCP, Green Development, MOE, MEF, CDC, and MDBs).	FA, with consultant team	21 March, 2017
Final professional editing and translation of the final draft FIP-IP	ADB	31 March, 2017
Formal submission of final version for RGC approval.	MAFF, MOE	3 April 2017 (at latest)
Submission of FIP-IP by the RGC to the CIF Administrative Unit for posting on the CIF website and review by the FIP Subcommittee	MEF	4 May 2017
Endorsement by the FIP Subcommittee (with participation in the FIP Sub-committee meeting by FA/MOE and ADB/WB)	FIP Subcommittee	June 2017 (early – TBC)

IV. Acknowledgments

61. The Mission sincerely thanks H.E. Dr. Say Samal, MOE, H.E. Mr Has Sareth, Secretary of State, MAFF. H.E. Dr. Chheng Kimsun, Head of FA, other senior staff in MAFF, other line ministries and agencies of the RGC for their kind cooperation, valuable inputs and contributions.

Signed in Phnom Penh, 07 October 2016

Bruce K. Dunn

Principal Environment Specialist
and Mission Leader
Asian Development Bank

Dr. Khorn Saret

Head, Cambodia REDD+ Taskforce Secretariat
Forestry Administration
Ministry of Agriculture, Forestry and Fisheries,
Cambodia

Annexes

1. Mission Schedule
2. List of people met
3. Presentations
4. Consultant TORs

**Annex 1
Forest Investment Program (FIP), Kingdom of Cambodia
First Joint Mission (October 03-07, 2016)**

Agenda

Time	Activity Description	Participants
Monday, October 03, 2016		
09:00 am – 17:00 pm	ADB and World Bank Team Meeting	ADB and WB, with consultants
Tuesday, October 04, 2016		
8:30 – 9:30 am	Mission Team Meeting	MAFF, MOE, ADB, WB
9:30 am – 12:00pm	Kick-off Meeting with all Government Stakeholders	REDD+ Taskforce and Secretariat.
13:30 – 17:00 pm	Consultation with civil society organizations, academia and indigenous people representatives	Members of the REDD+ consultation group, including indigenous people representatives and other CSOs.
Wednesday, October 05, 2016		
9:00 am – 11:00 pm	Development partners	Members of the technical working group on forestry reforms, including UN-REDD, FCPF, UNDP, JICA, EU, USAID, FAO, Conservation International, GERES, WWF
1:30 – 3:00 pm	Private sector (postponed)	.
4:00-5:00	UNDP	Mission team
Thursday, October 06, 2016		
9:00	Courtesy meeting – H.E. Mr Has Sareth, Secretary of State, Ministry of Agriculture, Forestry and Fisheries*	Mission Team
11:00	Courtesy meeting – H.E. Dr Say Samal, Minister of Environment	Mission Team
12:30-14:00	Conservation International	Mission Team
15:00 – 17:00	Action planning and preparation for Wrap-up meeting	Mission Team
Friday, October 07, 2016		
9:00 am – 12:00 pm	Wrap-up meeting to review Aide Memoire	MAFF, MOE, Mission Team

Annex 2
Forest Investment Program (FIP), Kingdom of Cambodia
First Joint Mission (October 03-07, 2016)

List of Persons Met

Annex 3
Forest Investment Program (FIP), Kingdom of Cambodia
First Joint Mission (October 03-07, 2016)

Presentations

Annex 4
Forest Investment Program (FIP), Kingdom of Cambodia
First Joint Mission (October 03-07, 2016)

Terms of Reference for Consultants

A. Background

1. On 6 December 2013, Asian Development Bank (ADB) approved a regional capacity development technical assistance for Promoting Ecosystem Services and Forest Carbon Financing in Asia and the Pacific (R-CDTA 8564).⁵

2. The TA is part of ADB's current support to strengthen the protection and management of large-scale ecosystems and address climate change in the Asia-Pacific region. The RETA activities will contribute to three main outputs: (i) knowledge shared and partnerships strengthened for economic valuation of ecosystem services; (ii) mapping and valuation performed for ecosystem services in critical landscapes and seascapes; and (iii) pilot activities conducted of the integration of ecosystem service values and financing mechanisms into planning processes and projects.

3. It is proposed that under R-CDTA 8564 ADB will provide support to Kingdom of Cambodia to prepare a preparing an Investment Plan (IP) under the Forest Investment Program (FIP) of the Climate Investment Funds in 2015.⁶ The FIP is one of the three targeted programs of the Strategic Climate Fund set up under the Climate Investment Funds (CIFs). The main purpose of the FIP is to support developing countries' efforts to reduce emissions from deforestation and forest degradation (REDD+), providing up-front bridge financing for readiness reforms and public and private investments identified through national REDD readiness strategy building efforts, while taking into account opportunities to help them adapt to the impact of climate change on forests and to contribute to multiple benefits such as biodiversity conservation, protection of the rights of indigenous peoples and local communities, poverty reduction and rural livelihoods enhancement.

4. The Ministry of Economy and Finance (MEF) of the Royal Government of Cambodia (RGC) designated the Forestry Administration (FA) of the Ministry of Agriculture, Forestry and Fisheries (MAFF) as the FIP focal point, in partnership with the Ministry of Environment (MOE), Fisheries Administration of MAFF, Cambodia REDD+ Taskforce and REDD+ Secretariat. The RGC subsequently requested the ADB to assist in IP preparation.

5. Consistent with the FIP guidelines, the staff of the Forestry Administration, MAFF and the ADB jointly led a scoping mission from 17 to 18 December 2015 to introduce FIP to key stakeholders of the REDD+ process with a view to discuss the FIP context, objectives, expected

⁵ <http://www.adb.org/projects/44141-012/main#project-pds>

⁶ Since July 2016, The World Bank and ADB have agreed to partner in support of the Government in the development of the FIP Investment Strategy for Cambodia.

results, procedures and implementation modalities. The mission was intended to (a) identify key stakeholders to be involved in IP preparation, (b) consolidate relevant documentation to discuss how the FIP fits in with the national REDD+ strategy, (c) assess the status of REDD+ readiness, and (d) conduct an assessment of the technical assistance and resources required to prepare the IP. The mission is also aimed to agree on (a) institutional arrangements and timeline for IP preparation, (b) stakeholder communications and consultation process, and (c) the roles and responsibilities of the principal actors MAFF in preparing IP.

6. The preparation of IP will involve conducting analytical work on potential areas for investment aimed at supporting REDD+ efforts by providing up-front bridge financing for readiness reforms and public and private investments identified through national REDD+ readiness building efforts. In addition, IP will strive for maximizing co-benefits of sustainable development, including the conservation of biodiversity, protection of the rights of indigenous peoples and local communities, poverty reduction and rural livelihood enhancements. Attachment 1 provides the guidance for preparing the country-level investment plan including the annotated outline for investment plan. In summary, the preparation of the IP would include (i) assessment of national policies for reducing greenhouse gas emissions from deforestation and forest degradation (REDD+); (ii) determining capacity needs and gaps; (iii) and identification of priority SFM and REDD+ projects for implementation at sub-national levels, along with investment needs of each project. The priorities for FIP IP will be guided by the National REDD+ Strategy, National Forest Monitoring System, Forest Reference Emission Level, and Cambodia's Intended Nationally Determined Contribution to the United Nations Framework Convention on Climate Change (UNFCCC). The IP is intended to deliver transformational change and should go beyond business-as-usual. The IP will be assessed according to:

- Climate change mitigation potential;
- Demonstration potential at scale;
- Cost-effectiveness;
- Implementation potential;
- Integrating sustainable development (co-benefits); and
- Safeguards.

7. In terms of technical measures, strengthening national forest inventory and national forest monitoring system, establishing an effective national monitoring, reporting and verification system, REDD+ Safeguards Information System and capacity building for results-based financing and benefit sharing, among others, are considered critical. Support is also needed in the policy arena to ensure that the regulatory framework is sound, that governance is sound and the resources and capacity are in place to ensure compliance.

8. In terms of REDD+ implementation, IP may focus on strengthening management of protected forest areas, and fisheries conservation areas, scaling up community-based REDD+ pilots, promoting alternative livelihood options to reduce pressure on forests, and integrated landscape management in critical biodiversity regions.

9. Preparation of the IP will be led by the government and involve a series of consultations with diverse stakeholders including local communities, indigenous peoples, private sector,

government agencies, academia, NGOs and development partners associated with forest conservation and REDD+ activities. Stakeholders will be involved in all steps to identify and prioritize forest investments. Inputs from various stakeholders to the investment plan will be recorded, and efforts will be made to build consensus on key priorities for the investment plan.

10. The main outputs of the activities will be: (i) Cambodia's Forest Investment Plan prepared; (ii) stakeholder consensus built through public consultations; and a knowledge product on preparation of IP delivered. As part of this, the TA will assist the RGC to share its experience on IP preparation with other pilot countries at various workshops, including FIP Pilot Countries' meetings. It is also intended that the draft IP and related project documents will be submitted to Green Climate Fund or other funds for possible climate finance.

11. Six individual consultants will be recruited under R-CDTA 8564 to assist the government in the preparation of the IP in Cambodia between 1 September 2016 and 31 March 2017. Based on the request of the RGC, the consultants are to be engaged by ADB in accordance with the *Guidelines on the Use of Consultants* (2013, as amended from time to time). Individual consultants will be engaged on output-based contracts. The executing agency (EA) for R-CDTA 8564 is ADB. The Implementing agency (IA) is the Ministry of Agriculture and Forestry. Close coordination will also be undertaken with the Ministry of Environment, the Fisheries Administration of MAFF, the Cambodia REDD+ Taskforce and REDD+ Secretariat.

12. ADB's Environment and Safeguards Division (SDES) within the Sustainable Development and Climate Change Department (SDCC) will administer procurement of consulting services and associated activities with support of the ADB Resident Mission in Cambodia. Specifically, the consultants will work under the overall direction of the Principal Environment Specialist, SDES. A joint team of specialists from the ADB and the World Bank will advise the consultants on a regular basis and undertake two joint missions to review progress during the preparation of the IP.

13. The consultant team will include the following 6 positions: (i) International REDD+ Specialist (Study Team Leader); (ii) International Forest Economist / Climate Finance Specialist; (iii) National Forest Expert (Policy and Institutions); (iv) National Community Development and Livelihood Expert; (v) National Stakeholder Participation Expert; and (vi) National Administration and Coordination Assistant.

B. Detailed Terms of Reference:

14. **International REDD+ Specialist / Study Team Leader** (International, 4-person months, intermittent). The consultant will have at least 10 years' experience in sustainable forest management and REDD+ related work with a relevant Master's degree or higher in forestry, climate change, or a related area. Prior experience on FIP and/or any other investment plan preparation will be an advantage. The consultant will have considerable experience as team leader and relevant background that includes extensive experience in assisting government institutions. Also required are abilities to work effectively with government representatives both at national and provincial levels, development partners and other stakeholders, and to report effectively in strategic consultations and in written reports. The main tasks will include guiding the government team on the following tasks:

- (i) Direct the work of all consultants under the guidance of MAFF and the ADB and the World Bank technical team to assist the government to develop the IP
- (ii) In concert with the government, conduct a desk review of approved forest investment plans of other FIP pilot countries, as well as other relevant investment planning processes and identify the most appropriate and innovative ways of preparing and preparing the IP.
- (iii) Review and update where necessary, data and information on the existing and planned REDD+ activities currently being implemented, planned or proposed to be financed by the government, development partners, international NGOs, private sector and others in Cambodia.
- (iv) Review existing projects and proposals for new or extended projects being financed by ADB and other development partners, and determine areas where additional investment of FIP funds would make use of project management capacity in place;
- (v) Review the current status of relevant policies and strategies for Cambodia, including, but not limited to, the national REDD+ strategy, national forest monitoring system, REDD+ safeguards information system, National Forest Program, National Protected Area Strategic Management Plan, and the Strategic Planning Framework of Fisheries. Reference and linkage should also be made to broader national and sector strategy documents such as National Strategic Development Plan 2014-2018 and the Rectangular Strategy for Growth, Employment, Equity and Efficiency, Phase III.
- (vi) Review the status of REDD+ readiness and implementation in Cambodia.
- (vii) Consider the drivers of deforestation and forest degradation in Cambodia, and identify possible interventions and opportunities for transformative impact including emissions reduction potential and co-benefits.
- (viii) Provide guidance and participate in the stakeholder consultation process, document review, and provide question and answer sections and integrate agreed comments into the draft Investment Plan (IP). The consultant is expected to participate in the Joint Missions of the MDBs.
- (ix) Identify potential investment programs, projects and sites, including the preparation of draft concept papers, initial feasibility assessment and financing plans.
- (x) Assess potential for the financing of private sector initiatives on REDD+ that contribute to value chain addition, product development, marketing and appropriate technologies.
- (xi) Prepare a Results Framework for the IP in accordance with relevant FIP and MDB and identify the baseline and indicators that will be used monitoring, reporting and verification, and define any additional indicators that required to report on any mobilized climate finance. It will be guided by the FIP results framework and relevant ADB and World Bank procedures for monitoring and evaluation.
- (xii) Ensure that the IP reflects the key criteria for FIP support: (a) Climate change mitigation potential; (b) Demonstration potential at scale; (c) Cost-effectiveness; (d) Implementation potential; (e) Integrating sustainable development (co-benefits); and (f) Safeguards.
- (xiii) Undertake other analytical tasks and field visits as required to complete the IP, including a preliminary assessment of the potential impacts of various measures to address climate change mitigation in the context of REDD+.

- (xiv) Prepare initial draft and draft final IP including the consolidation of inputs submitted by other consultants. The IP should provide a clear presentation of the incremental value additions of proposed investments, innovation and transformational impact; effective synergies with other REDD+ efforts by development partners; strong gender considerations; effective private sector involvement; clarity on civil society involvement; identification and measurement of tangible results, and cost effectiveness as a viable indicator for project design.
- (xv) Finalize FIP IP including the consolidation of inputs submitted by an independent technical reviewer from the CIF Administration Unit (CIF AU).
- (xvi) Assist the government for submission of the IP to the FIP Sub-Committee fulfilling all the requirements.

15. Outputs: The main output for the Study Team Leader will be:

- (i) Inception report, with refined terms of reference, methods, work schedule and timetable for the preparation of the IP. This will consolidate inputs from all other consultants.
- (ii) Assistance to the government to produce A first draft IP
- (iii) A second draft IP after incorporation of RGC, ADB and World Bank comments
- (iv) Final IP incorporating comments from independent technical reviewer from the CIF AU.

16. **International Forest Economist / Climate Finance Specialist** (International, 2-person months, intermittent). The consultant will have at least 10 years' experience in environmental economics, climate finance or related work with a relevant Master's degree or higher in economics, finance or a related area. The consultant will have considerable experience with international development partners, working with government institutions. Also required are abilities to work effectively with government representatives both at national and provincial levels, development partners and other stakeholders, and to report effectively in strategic consultations and in written reports. Experience with the private sector would be an advantage. The consultant is expected to be highly proficient in written and spoken English. The main tasks will include the following: tasks:

- (i) Assess and discuss financial resource mobilization options with the RCG and relevant stakeholders, including options for grants or a mix of grants and concessional credits or loans, as well as performance based mechanisms and financing instruments.
- (ii) Assess potential mechanisms and suitability of concession credits and loans to private sector initiatives on REDD+.
- (iii) Undertake an economic cost benefit analysis of proposed IP options and investments.
- (iv) Undertake consultations with the Ministry of Economy and Finance (MEF) and ensure that any proposals for concessional credit or loan under FIP should be aligned with the National Debt Management Strategy.
- (v) Prepare the draft and final Financing Plan and describe the financial instruments to be used as part of the IP

17. Outputs: The main output for the International Climate Finance Specialist are:

- (i) Contributions to the inception report, with refined terms of reference, methods, work schedule and timetable for the preparation of the IP. This will consolidate inputs from all other consultants.
- (ii) Draft Finance Plan
- (iii) Final Finance Plan after incorporation of RGC, ADB and World Bank and stakeholder comments

18. **National Forest Expert – Policy and Institutions** (National, 5-person months, full-time). The consultant will have at least 10 years' experience in forest management and REDD+ related work with a relevant Master's degree or higher in forestry, climate change, or a related area. The consultant will have specific experience related to forest policies and institutions in Cambodia and considerable experience with international development partners, working with government institutions. Also required are abilities to work effectively with government representatives both at national and provincial levels, development partners and other stakeholders, and to report effectively in strategic consultations and in written reports. Experience with the private sector and/or community-based forest management approaches is highly desirable. The consultant is expected to be highly proficient in written and spoken English. The expert will be assigned to assist the team leader and other consultants and will work under the supervision of MAFF. The main tasks will include the following:

- (i) Provide overall technical support to the Study Team Leader and MAF in the preparation of IP.
- (ii) Prepare a review of Cambodia's forest related institutions, policies, laws and regulations, REDD+ readiness and implementation progress, lessons and challenges.
- (iii) Review and provide a brief assessment of the drivers of deforestation and forest degradation in Cambodia.
- (iv) Identify the gaps in the current national policy, strategies and legislation and recommend appropriate adjustment for transformative change in sustainable forest management and enhancing resilience in forest management.
- (v) Identify the institutional arrangement and current capacity for forest management including climate change mitigation and adaptation actions and align them with the national development plan.
- (vi) Identify the actors for sustainable for forest management and REDD+.
- (vii) Review environmental safeguard issues from proposed IP investments.
- (viii) Assist the team leader and other consultants with other required analytical and consultation tasks to support the preparation of the IP.

19. Outputs: The main output for the National Forest Expert are:

- (i) Contributions to the inception report, with refined terms of reference, methods, work schedule and timetable for the preparation of the IP.
- (ii) Review report on institutional, regulatory, policy context and context for the IP preparation.
- (iii) Inputs into the draft IP
- (iv) Inputs into the final IP.

20. National Community Development and Livelihood Expert (National, 4-person months, intermittent). The consultant will have at least 10 years' experience in community development related to forest management and sustainable livelihood options with a relevant Master's degree or higher in development studies or similar discipline. The consultant will have in-depth knowledge of operational, technical and policy issues and the ability to address issues across sectors especially sustainable livelihood, natural resource management, institutional development, capacity development and indigenous people development. The consultant will have considerable experience with international development partners, working with government institutions. Also required are abilities to work effectively with government representatives both at national and provincial levels, development partners and other stakeholders, and to report effectively in strategic consultations and in written reports. Experience with the private sector and/or community-based forest management approaches is highly desirable. The consultant is expected to be highly proficient in written and spoken English. The expert will be assigned to assist the team leader and other consultants and will work under the supervision of MAFF. The main tasks will include the following:

- (ix) Provide overall technical support to the Study Team Leader and MAF in the preparation of IP.
- (x) Review and provide a brief assessment of the drivers of deforestation and forest degradation in Cambodia.
- (xi) Synthesize information on existing forestry and sustainable livelihood activities in Cambodia, including consideration of technologies, and the role and behavior of various actors including the local communities and the private sector.
- (xii) Review existing experiences with community-based forest management (CBFM) initiatives, and assess options for the establishment and legalization of simplified and equitable community forestry systems, capacity development for community forestry (CF), potential business models, community protected areas [CPAs], and implementation of existing CF and CPA management plans.
- (xiii) Review the role of small and medium enterprises in the forestry sector in Cambodia. This should include among others, the role of bamboo, rattan, and ecotourism and their potential role in the IP, including the potential for co-benefits.
- (xiv) Identify scopes of people's participation in forest management including climate change mitigation and adaptation actions and align them with the IP.
- (xv) Assess the needs of different forest depended indigenous peoples groups and measures for their development.
- (xvi) Assess and scope the potential needs and feasibility of including a Dedicated Grant Mechanisms for Indigenous Peoples with the IP.
- (xvii) Identify and consult on sustainable livelihood options for forest dependent communities considered within the scope of the IP.
- (xviii) Assist the team leader and other consultants with other required analytical and consultation tasks to support the preparation of the IP.

21. Outputs: The main output for the National Community Development and Livelihood Expert are:

- (v) Contributions to the inception report, with refined terms of reference, methods, work schedule and timetable for the preparation of the IP.

- (vi) Review report on institutional, regulatory, policy context and context for the IP preparation.
- (vii) Inputs into the draft IP
- (viii) Inputs into the final IP.

22. **National Stakeholder Participation Expert.** (National, 3-person months, intermittent). The consultant will have at least 8 years' experience in communications related work with a relevant Bachelor's degree or higher in communications, public policy, or a related area. The consultant will have considerable experience as trainer and relevant background that includes extensive experience in stakeholder participation and assistance to government institutions. Also required are abilities to work effectively with government representatives both at national and provincial levels, development partners and other stakeholders, and to report effectively in strategic consultations and in written reports. Well established networks with civil society organizations and experience with community consultation are highly desirable. The expert will be assigned to assist the team leader and other consultants and will work under the supervision of MAFF. Specific terms of reference include the following:

- (i) Prepare a stakeholder engagement and consultation plan for the IP preparation and review.
- (ii) Identify specific capacity building requirements for FIP and define the skills needed for the different FIP stakeholders at provincial and national levels
- (iii) Organize at least 3 rounds of stakeholder consultation workshops and other outreach activities in consultation with the other key agencies, and MDB partners
- (iv) Prepare a summary of each consultation workshop and circulate to all relevant stakeholders for comments.
- (v) Ensure that stakeholder consultation processes and outreach strategies include effective engagement with civil society organizations, indigenous people and the private sector.
- (vi) Facilitate other required stakeholder meetings, consultations and field visits.
- (vii) Assist in preparation of policy briefs relevant to FIP in Cambodia.
- (viii) Assess social safeguard and gender issues related to proposed IP investments.
- (ix) Prepare a stakeholder involvement plan for the IP implementation.
- (x) Undertake any other function directly related to the efficient preparation of IP as directed by the team leader, MAFF MDB partners.

23. **Outputs:** The main output for the National Communications and Stakeholder Participation Expert are:

- (i) Contributions to the inception report, with refined terms of reference, methods, work schedule and timetable for the preparation of the IP.
- (ii) Stakeholder engagement and consultation plan for IP preparation.
- (iii) Stakeholder involvement plan for the IP implementation.
- (iv) Inputs into the draft and final IP on stakeholder issues and capacity needs.

24. **National Administration and Coordination Assistant.** (National, 5-person months, full-time). The consultant will have at least 8 years' experience in administration and project coordination work with a relevant Bachelor's degree or higher in communications, accounting, management or related discipline. Also required are abilities to work effectively with government representatives both at national and provincial levels, development partners and other stakeholders, and to report effectively in strategic consultations and in written reports. The expert will be assigned to assist the team leader and other consultants and will work under the supervision of MAFF. Specific terms of reference include the following:

- (xi) Coordinate logistics and administration for stakeholder consultation workshops and other outreach activities.
- (xii) Prepare a summary of each consultation workshop and circulate to all relevant stakeholders for comments.
- (xiii) Organize other required meetings, consultations and field visits, including support for logistic requirements.
- (xiv) Maintain accurate administrative and financial records of the TA and liaise with ADB on financial disbursement and procurement issues.
- (xv) Support where needed the translation of documents and interpretation during the IP preparation process; and/or ensure that qualified translators are engaged and available for necessary meetings.
- (xvi) Undertake any other function directly related to the efficient preparation of IP as directed by the team leader, MAFF and MDB partners.

25. **Outputs:** The main output for the National Administration and Coordination Assistant are:

- (i) Workshops and meetings effectively organized and meeting reports issued.
- (ii) Financial administration of TA funded activities with required records, invoices and statements prepared and submitted following ADB requirements.

Annex 4 – Attachment 1

Guidance for Preparing the Country-Level Investment Plan

(Extracted from the FIP Operational Guidelines, June 29, 2010)⁷

Principles, Objectives and Outcomes

Principles. The Investment Plan should be country-led and country-driven, and should be designed to “support developing countries’ REDD-efforts, by providing up-front bridge financing for readiness reforms and public and private investments identified through national REDD readiness plan building efforts, while taking into account opportunities to help them adapt to the impacts of climate change on forests and to contribute to multiple benefits such as biodiversity conservation, protection of the rights of indigenous peoples and local communities, poverty reduction and rural livelihoods enhancements”⁸.

FIP funding should be additional to current ODA and should allow for blending grant and highly concessional finance with domestic and international public and private financing. This financing will be made available through the MDBs. The processing of FIP financed projects and programs will follow the MDBs’ established policies and procedures and comply with the FIP investment criteria.

The Investment Plan should adopt a programmatic approach, building on and avoiding duplication of existing work and development strategies, including REDD readiness programs and strategies, and should clearly demonstrate the initiation of transformational change in forest-relevant sectors and monitorable contributions to emissions reductions. Specific investment criteria are spelled out in the FIP Investment Criteria and Financing Modalities (FIP/SC.3/4).

Objectives.

Country-level Investment Strategies will support the objectives of the FIP⁹ which are to:

- (a) initiate and facilitate steps towards transformational change in developing countries’ forest-related policies and practices;
- (b) pilot replicable models to generate understanding and learning about the links between forest-related investments, policies and measures and long-term emission reductions and conservation, sustainable management of forests and the enhancement of forest carbon stocks in developing countries;
- (c) facilitate the leveraging of additional financing resources for REDD+, leading to an effective and sustained reduction in deforestation and forest degradation, thereby enhancing the sustainable management of forests; and
- (d) provide valuable experience and feedback in the context of UNFCCC deliberations on REDD+.

The immediate outcomes of the implementation of a country-level Investment Plan are:

⁷ https://www-cif.climateinvestmentfunds.org/sites/default/files/meeting-documents/fip_operational_guidelines_final_0.pdf

⁸ Paragraph 10, *FIP Design Document*

⁹ Paragraph 11, *FIP Design document*

- (a) strengthened institutional capacity, improved forest governance and availability of information;
- (b) integration of climate mitigation measures and other forest ecosystem service considerations in the forest sector; and
- (c) reduction of pressure on forests, including from other land use sectors.

Annotated Outline for Investment Plan

The following general structure for the Investment Plan is suggested, recognizing that country or regional circumstances may differ. The Investment Plan would likely cover the information requested under the consolidated investment criteria for programming priorities in a FIP pilot (see document FIP/SC.3/4/Rev.1 Investment Criteria and Financing Modalities). More detailed suggestions for structuring the document are provided below.

Section 1 Description of the country and sector context (3 pages)

The Investment Plan will be developed through a transparent participatory stakeholder process on a country-specific basis to achieve nationally-defined REDD+ objectives. Therefore, a brief summary of the government's existing forest-relevant development plans or programs that include low carbon objectives related to forests should be prepared, including specific forest or other relevant sectors and climate change strategies. The following sector-specific background information should be provided:

- (a) description of the major national forest- or forest landscape-based sources of GHG emissions and projected trends
- (b) status and trends concerning forest and woodland resources
- (c) economic importance of forestry sector and those sectors affecting forests (local livelihoods, contribution to GDP, poverty linkages)
- (d) explanation of the key drivers of deforestation and degradation
- (e) summary of national REDD+ program/plan or equivalent
- (f) summary of other ongoing REDD+ programs (e.g. FCPF or UN-REDD) for forest, woodland and wider forest landscape management, including funding sources
- (g) description of forest governance arrangements (legislation, regulations, land rights and tenure systems, institutions and their capacities, participation of key stakeholders including indigenous and other forest communities, and accountability arrangements)

Section 2 Identification of opportunities for Greenhouse gas abatement (2 pages)

The Investment Plan will identify key opportunities for reducing emissions from deforestation and forest degradation as well as the conservation and enhancement of forest carbon stocks. The interventions should be sufficiently flexible to include a wide range of possible public and private sector activities. The investment opportunities should meet the FIP investment criteria as outlined in the FIP Investment Criteria and Financing Modalities..

Section 3 Enabling policy and regulatory environment (1-2 pages)

The Investment Plan should:

- (a) describe the fiscal and regulatory framework, land use policies, market structure, other incentives, and medium-term expenditure frameworks in the forestry (including REDD+ readiness) and related sectors to support the operations envisaged in the plan;
- (b) describe the extent to which the existing regulatory and policy framework supports, or conflicts with, REDD+ objectives; and
- (c) further identify existing regulatory gaps and governance challenges and describe the barriers that exist and what the potential impacts of public and private sector interventions could be if these barriers are addressed.

Section 4 Expected Co-Benefits from FIP Investment (1 page)

The Investment Plan should identify expected co-benefits from FIP investments, including the contribution to the improvement of local livelihoods, poverty alleviation, and human development of forest dependent communities, including indigenous peoples, as well as, the protection of biodiversity and other ecosystem services; enhance climate resilience, and the promotion of gender equality and social sustainability. A key element will be the description of environmental and social outcomes and benefits of the FIP investments.

Section 5 Collaboration among MDBs and with other Partners

The Investment Plan should discuss the collaboration potential among MDBs and with other development partners (e.g. FCPF, UN-REDD, GEF) in preparing the Investment Plan as well as potential collaboration during implementation of the Investment Plan. This should include a brief description of relevant ongoing or planned activities of potential partners, the status of interaction and the potential to leverage financial and technical resources with the view to enhancing the implementation of the Investment Plan and making it more comprehensive.

Section 6 Identification and rationale for projects and programs to be co-financed by FIP (4 pages)

A sub-set of interventions for FIP co-financing should be selected from the wide range of opportunities identified in Section 2. For each project or program, the Investment Plan should:

- (a) Prioritize activities that
 - i. would enable the scaling-up of approaches, forest management models, technologies, and solutions that are successfully piloted but not in routine use, and/or
 - ii. would help generate working examples of low carbon forest development that might be applied at scale to the country, geographic sub-region or sub-sector. An appropriate justifications needs to be presented for why these activities are prioritized.
- (b) Assess the cumulative emissions savings, explaining how investments
 - i. would explore new opportunities previously unrealized at scale, and/or

- ii. are linked to policy and regulatory change that will stimulate much wider action by creating new opportunities and removing barriers.
- (c) Estimate the replication and scalability potential of the project or program, e.g. its potential impact on the deforestation rate, pace of rehabilitation of degraded areas, conservation of existing forest carbon stocks, REDD activities and payments, and/or forest carbon emissions.
- (d) Provide evidence of poverty reduction, environmental and social co-benefits by prioritizing activities that
 - i. help reduce poverty by enhancing economic growth or by improving services to the poor, taking into account the gender dimension of poverty and/or
 - ii. provide local or regional environmental benefits such as greater biodiversity, improved watershed management or better soil quality.
- (e) Take into account the framework of the MDBs' Country Assistance/Partnership Strategies, other relevant national planning exercises and activities of other development programs, including the FCPF, UN-REDD, bilateral development agencies, UN and GEF.
- (f) Establish 2-3 results indicators consistent with the FIP Results Framework and identify methodology to measure those along with a timeline for achieving results.

Section 7 Implementation potential with risk assessment (1-2 pages)

An assessment of the implementation potential of the alternative GHG emission reduction options in the Investment Plan should be considered. This would include an analysis of the technical and management capacities of the executing agencies or project sponsors/entities as well as their financial health. If there are bottlenecks in related infrastructure or land use, the ability of executing agencies or project entities to resolve these problems should also be addressed. The Investment Plan should include an initial description of potential risks that might affect the implementation of proposed investments including: country and sub-national level risks; sector policies and institutions; technology, governance, environmental, and social risks.

Section 8 Financing plan and instruments (half-page)

The Investment Plan should provide a projected amount of FIP co-financing and total financing requirements for each intervention, potential sources of public and private financing (including carbon finance, bilateral development banks and agencies, and non-traditional financiers). The Investment Plan should also identify FIP leverage ratios and types of financial instruments e.g., commercial loans, concessional financing, grants).

Annexes to the Investment Plan

The Investment Plan should include five annexes that summarize:

Annex 1: the proposed project and program pipeline, including the notional FIP resource allocation, an estimate of resources that would be leveraged, projections of potential carbon emissions reductions from both, the co-financed portfolio as well as the larger transformational impact and other results indicators.

For each project concept, a project outline annex (maximum two pages) should be provided that includes:

- (a) MDB and lead Government Agency(-ies)
- (b) Problem statement (1-2 paragraphs)
- (c) Proposed transformational impact and co-benefits (1-2 paragraphs)
- (d) Implementation readiness (1-2 paragraphs)
- (e) Potential national and international partners including their REDD+ financial support(1 paragraph and a table)
- (f) Rationale for FIP financing (1-2 paragraphs)
- (g) Safeguards
- (h) Financing plan
- (i) Project preparation timetable
- (j) Request for project preparation grant if required

Annex 2: A stakeholder involvement plan which presents an assessment of the relevant stakeholder groups in the pilot and how these groups have been involved in the design and will be involved in the implementation of the Investment Plan and related projects and programs.

Annex 3: Information on how funding from the Dedicated Grant Mechanisms for Indigenous Peoples and Local Communities will be part of the Investment Plan.

Annex 4: FCPF/UNREDD Readiness Preparation Proposal (R-PPs), National REDD+ Plan, Action Plan or equivalent (if available)

Annex 5: Voluntary review of the country Investment Plan by an expert/peer review group (if available)