

# CLIMATE INVESTMENT FUNDS

FIP/SC.18/6  
June 7, 2017

---

Meeting of the FIP Sub-Committee  
Washington D.C.  
Friday, June 9, 2017

**FIP INVESTMENT PLAN FOR CAMBODIA**  
**RESPONSES TO COMMENTS AND REMARKS OF THE INDEPENDENT EXPERT**

**MATRIX: RESPONSES TO COMMENTS AND REMARKS OF THE INDEPENDENT EXPERT**

Section / paragraph / criteria	Comment	Response
<b>General criteria</b>		
Demonstrates how it will initiate transformative impact	For project 2, transformative impact is likely to come from the RGC's willingness to make necessary concessions in sector reforms to create an attractive investment environment with demonstrable forestry sector governance and transparency.	<p>Number of rules and informal fees have been highlighted as a major obstacle by private sector and NGOs supporting community fuel wood production.</p> <p>A new Paragraph 64 has been inserted to underline the commitment by the RCG as expressed in an official announcement from February this year.</p>
Prioritization of investments, lessons learned, M&E, links to the results framework	This review observes that the FIP-IP has highlighted and summarized other ongoing REDD+ programs and relevant laws, polices and regulations, but <u>explicit</u> prioritization at the component level is not articulated across all three projects. It might be possible for some form of prioritization or additional analysis for Project 1.	<p>The projects will learn from existing experiences with agriculture and REDD+ (see below).</p> <p>One lesson learned from agriculture projects is that successful projects have to be flexible and work with the possible opportunities in the specific context. The project sites will be selected also based on the replicability and ideally reflect both lowland and highland landscapes as mentioned in Annex 1, paragraph 8 on project site selection criteria.</p>
	Project 1 requires additional text to further guide future project component design. Such guidance needs to articulate the need for looking	Paragraph 97 on lessons learned from agriculture value chain program has been inserted.

	<p>for lessons that can be drawn from agricultural production systems in Cambodia (success and failures).</p>	
	<p>The FIP-IP could also perhaps consider looking at the lessons from long standing REDD+ pilot projects such as Oddar Meanchey in more detail and consider the challenges and success factors and how these can contribute to better component design.</p>	<p>Paragraph 39 on lessons learned from the early REDD+ project has been inserted.</p>
<p>Social and environmental aspects, including gender</p>	<p>The reviewer believes further analysis of social and environmental impacts and disaggregation of potential risks and perverse outcomes will need to be elaborated during the detailed project design stage. The NRS clearly articulates the challenges relating to land tenure and the rights of indigenous people.</p>	<p>This will be considered in the project design phase and is highlighted in the risk assessment section 8, where a general mitigation measure is participatory planning with special consideration for gender and indigenous peoples.</p>
<p>New investments or funding additional to on-going/planned MDB investments</p>	<p>The review observes some inconsistency in Project 3 text and this needs further clarification. The Project title “Implement National Forest Monitoring” can be construed as duplication of work already underway through the FCPF Readiness Grant. Secondly, Component 1 also refers to “Implementing the NFI” which may again be construed as duplication of ongoing work. The activities under the component are valid as long as the subsequent design is more complimentary to work already planned under the FCPF Readiness Grant and the</p>	<p>The title refers to forest monitoring in general including both component 1, 2 and 3, while the title of component 1 refers to implementation of the national forest inventory specifically.</p> <p>This activity has been developed in close collaboration with UNDP, whom as the implementing partner for FCPF, is in the process of developing the activity plan for the additional FCPF funding. The two initiatives will be complementary but not overlap. The FCPF will focus on the National Forest Monitoring System where the NFI results</p>

	additional FCPF funding that Cambodia now has access to.	will be an important component but FCPF will not implement the NFI. This is further clarified in paragraph 116.
Cost effectiveness of proposed investments	The FIP-IP does not provide the economic benefit for Project 3 and understandably this may be too complex at this stage. However, it is worth noting that NFI data has a wide range of uses across government and private sector reducing the uncertainty in decision-making hence reducing the potential cost of uninformed policy formulation. This review highly recommends providing even qualitative text to support the proposed investment and this can be done using a cost-effectiveness analysis.	The three projects complement each other and there are clear synergies between project 1, 2 and 3. Project 3 will benefit from policy and field level experiences such as enabling conditions for private sector investments and at the same time provide necessary data for both project 1 and 2. This is now mentioned in paragraph 82.
<b>FIP Criteria</b>		
Partnership with private sector	From a review point of view, it seems the consultation with the private sector has not been broad enough. PPP considerations need to cover both plantations and downstream processing and supply chain – these aspects are not outlined in the FIP-IP but are necessary in creating a better understanding on the priorities for the proposed budget finance plan.	During the consultation process the project team had significant challenges in establishing dialogue with downstream industry as most relevant production industry have their offices abroad. The need for further work during the project is now mentioned in paragraph 116.  However, during consultations with organizations like GERES it was made clear that sustainable fuelwood production is a key challenge (see new paragraph 96 on GERES). This calls for establishing sustainable supply as well as introduction of energy efficiency measures.

		<p>The FIP/IP will mainly focus on the former.</p> <p>For the latter Cambodia has two NAMAs under development to improve energy efficiency and promote sustainable practices in charcoal production. See paragraph 55 on NAMAs.</p>
<b>Assessment towards the FIP results-framework</b>		
Reduced pressure on forests		
<i>c) Percentage (%) of poor people in FIP project area with access to modern sources of energy</i>	The FIP-IP does not explicitly state how energy demand will be tackled as it is one of the drivers of forest degradation and deforestation. This needs to be assessed at component design stage	This will be considered in the project design stage and depend on the selected project site. e.g. not all of rural Cambodia has access to electricity and possibility for renewable energy varies greatly.
<i>d) Non-forest sector investments identified and addresses as drivers of deforestation and forest degradation</i>	Need to be further assessed when implementing Project 1 and 2	This will be considered in the project design stage and is of special relevant for project 1 and the landscape planning process.
<b>C2. Sustainable management of forest and forest landscapes to address drivers of deforestation and forest degradation</b>		
<i>b) Evidence that laws and regulations in project/program areas are being implemented, monitored and enforced and that violations are detected, reported and prosecuted</i>	This will depend on the design of the landscape management plans especially for Project 1 and 2.	This will be considered in the project design stage.
<b>C4. Empowered local communities and indigenous peoples and protection of their rights</b>		
<i>c) Improved access to effective justice/ recourse mechanisms</i>	Not explicit in the FIP-IP but noting the close and expected coordination with REDD+ activities, the FIP-IP will incorporate the REDD+ Grievance Redress Mechanism	The REDD+ Grievance Redress Mechanism is still under development and the FIP/IP design process will ensure close collaboration including for the REDD+ safeguards information system.

<p>C5. Increased capacity to plan, manage and finance solutions to address direct and underlying drivers of deforestation and forest degradation.</p>	<p>Detailed indicators need to be developed in the specific project context during component design and implementation</p>	<p>This will be done during the project design stage.</p>
<p>C7. Integration of learning by development actors active in REDD+</p>	<p>Not specified</p>	<p>Project reports and capacity building in connection with the project will be with a view to scale up and replicate the projects e.g. participatory planning for biodiversity conservation corridors.</p>