

CLIMATE INVESTMENT FUNDS

August 10, 2016

**FIP INVESTMENT PLAN FOR MOZAMBIQUE
THE WORLD BANK GROUP RESPONSES TO UK COMMENTS**

**Mozambique's Forest Investment Plan
Response Matrix to FIP Sub-Committee Comments
July 2016**

Questions/Comments	Responses
UK	
<p>The IFC project will need to make clear the distinction between those activities to be supported by the FIP and those in relation to the community development support activities of the plantation company within their concession area, and how these will interact. A clear theory of change setting out the underlying assumptions and risks will help.</p>	<p>The specific activities to be implemented by the IFC will be determined during the project development phase and will be detailed in the Project Proposal document to be submitted for approval to the FIP Sub-Committee. With FIP, IFC intends to work in two ways: 1) In areas outside of the forestry company DUATs (concessions), but within the area of influence of the plantations and 2) with innovative technologies and approaches, which can be replicated by all companies in the plantation forestry sector</p>
<p>There are a number of important assumptions that will need to be tracked carefully both in the IFC component AND by the company (given the IFC stake). Suggest that this project will have strong monitoring and sufficient flexibility for course correction – particularly on the following issues:</p> <ul style="list-style-type: none"> ▪ Water impact of eucalyptus plantations – potential reduced run off – impact on local smaller water courses? ▪ Pressure on remaining natural forest areas from zoning and mosaic planting e.g. users outside the plantation DUAT area could also use the remaining natural resources. ▪ Social impacts and food security impacts etc. 	<p>IFC intends to monitor the hydrology of Eucalyptus blocks and natural forest areas under the FIP project. This basic research has never been done in Mozambique and is a priority for the NGO Consultative Committee that IFC helped to form. Hydrology research is particularly timely, given new rainfall patterns that are occurring in northern Mozambique.</p> <p>To satisfy IFC's Performance Standard 6 on biodiversity conservation and sustainable natural resource management, IFC's client is developing a comprehensive strategy for the protection and monitoring of high value conservation areas. In addition, the livelihood monitoring plan (described below), tracks household use of eco-system services, such as wild foods, fuel and building material.</p> <p>IFC has supported its forestry client to develop a comprehensive livelihood monitoring plan. This plan features annual surveys of more than 600 randomly selected households in the Zambezia operating area. There are four livelihood indicators at impact level: poverty level (Simple Poverty Scorecard), household consumption as a proxy for income (World Bank SWIFT methodology), food security index (FAO methodology) and diet diversity (FAO methodology). FIP resources would be used to extend this monitoring program beyond the current concession boundaries.</p>
<p>Explain land delimitation processes and intentions to fully delimit the communities where boundaries can be</p>	<p>IFC is currently undertaking a pilot to develop lower cost community land delimitation methods, using geospatial technologies. The results of this pilot will be shared with the government and World Bank. It is expected that community limits will traverse forestry concession limits, due to the</p>

<p>inside and outside the plantation DUAT</p>	<p>mosaic landscape being created. The organizations leading this effort (ORAM and Terra Firma), have applied to the DFID LEGEND program to support additional communities within and outside the concession to delimit. IFC's client has supported this initiative.</p>
<p>Provide clarity on how "degraded" is going to be determined by the plantation company – and how the company will decide which areas to consolidate etc</p>	<p>IFC's forestry client is planting on former farmland, donated by subsistence farmers who have abandoned it due to low soil fertility. Land within the concessions is screened to preserve high-value conservation areas (HVCAs), sloping land, set asides for water courses, sacred areas, agricultural fields and houses. The procedure for identifying HVCAs is congruent with the IFC's Performance Standard 6. A recent study by the World Bank and European Space Agency showed that areas identified for forestry concessions in Zambezia have been significantly degraded by shifting agriculture and charcoal production between the end of the civil war in 1992 and 2013.</p>
<p>A significant risk exists around as yet still unclear roles responsibilities and mandates across government institutions, at national and local level – where implementation of the landscape approach requires high levels of coordinated working across ministries. The Landscape project will need to set out clearly how this will be overcome.</p>	<p>Coordination among sectors and ministries is critical for smooth implementation of the landscape programs, given their cross-sectoral nature. At the highest level of government, the implementation of the Government of Mozambique's rural and forest sector programs, such as the FIP, are discussed and communicated with the Council of Ministers through the Council of Sustainable Development (CONDES). CONDES is comprised by multiple ministries and presided by the Prime Minister and the Minister of the Ministry of Land, Environment and Rural Development, which houses the FIP implementation unit. CONDES supports the inter-institutional coordination of the GoM's vision and commitment for sustainable forest management and reduced deforestation. Mozambique's Forest Investment Plan is one important element of that effort and will be brought to that level of communication.</p> <p>The government is actively engaging with a variety of ministries and sector agencies in the project preparation process, including the Ministry of Agriculture and Food Security (DNEA, DNAS), the National Agency for Environmental Quality Control, the National Energy Fund and the National Agency for Conservation Areas. Project activities are being designed in direct support of the sectoral strategies of these agencies. This coordination and engagement will continue throughout the preparation and implementation of the programs. At the landscape level, the government has also made considerable strides toward developing channels of cross-sectoral communication, such as through the provincial multi-stakeholder forums. While coordination is a challenge, the FIP funds come at an opportune time to assist in cementing these efforts that can spur positive governance changes in the long run.</p>
<p>A clear theory of change will be required to demonstrate the coherence of interventions in the landscape project, to ensure a strategic approach is taken rather than scattered and/or isolated interventions.</p>	<p>FIP interventions have been designed based on the drivers of deforestation in Mozambique, identified through analytical studies. The GoM recognizes that confronting the drivers of deforestation requires a series of interventions across sectors, necessitating a well-coordinated, strategic approach. There is an effort to map FIP interventions against other initiatives in the landscapes, to ensure coordination and complementarity with other efforts. Coordination on the ground will be a focus in the design phase, and the projects will be adjusted accordingly to enhance ongoing initiatives and to avoid overlap or duplication. A clear results chain will serve to guide the design of interventions. Mozambique's FIP investments will seek to strengthen policies,</p>

	<p>governance and capacity in order to create the enabling conditions for change, and support the Government's overall sustainable rural development program. FIP will also transform economic activities and opportunities across sectors to improve forest and land management practices and contribute to rural livelihood improvements.</p>
<p>We will be looking out for initiatives that promote positive gender outcomes and monitoring and reporting that tracks this accordingly</p>	<p>The Government understands gender as an area for improvement and FIP project implementation will explore approaches to better understand and address gender-related risks identified in the Strategic Environmental and Social Assessment (SESA), and to promote positive gender outcomes through design and implementation of the project. Participatory approaches would be used in the project design process to ensure the inclusive and meaningful consultation and effective participation of women in decision-making. Through the design process, inputs would be actively derived from women stakeholders themselves on how gender equality can be ensured in project implementation. Gender-focused outcomes or impact pathways could be developed with stakeholders to develop gender-responsive strategies as well as indicators and plans for community-led monitoring of them. Local organizations would be identified to lead on these initiatives. Approximately one third of the representatives of the National FIP Steering Committee are women. Gender-oriented NGOs who have been working on this issue, such as MUGEDE, for example, are an important part of the REDD+ working groups, as well as part of the DGM interim National Steering Committee.</p> <p>Monitoring and reporting: At the FIP-level, the reporting framework will include indicators on gender. As part of the FIP project results framework, Mozambique will conduct a forest governance assessment every few years that includes several qualitative indicators on gender, scored by multi-stakeholder group. Other indicators on beneficiaries for FIP projects will include disaggregation by gender.</p>