

June 2015

MEMORANDUM

Lao Forest Investment Plan (Lao FIP)
Concept Note for Additional Financing for
Scaling Up Participatory Sustainable Forest Management (SUPSFM) Project
[more commonly known as SUFORD Scaling Up (SUFORD-SU)]

REVISIONS TO ORIGINAL CONCEPT NOTE
Dated 16 March 2015

Lao PDR had submitted to the Forest Investment Program a concept note requesting \$24.5 million in additional financing, to expand the ongoing FIP project, Scaling Up Participatory Sustainable Forest Management (SUPSFM) to cover the last remaining four rural provinces and the final 10 Production Forest Areas. This concept note had also proposed an additional three years of support for the four most recent provinces under the existing project.

The Climate Investment Fund Administrative Unit's (CIF AU) had prepared the Summary of Outcomes of the FIP Steering Committee Meeting held on 15 May 2015. Unfortunately, these comments were not received by the National FIP Focal Point, Dr. Inthavy Akkarath, nor by the Department of Forestry, which had prepared the concept note, until late on 17 June.

Proposed Scale of Activities and Budget

With respect to the Lao PDR concept note, the proposal was seen by the FIP Sub-Committee "as too costly in relation to the funds available and need[s] to be scaled back."

The Department of Forestry would still very much like to carry out the expanded activities as proposed in the concept note. The Government of Lao PDR understands and recognizes that the FIP funds are limited, and that the FIP may not be able to fund the full request. The Department of Forestry is in the process of working with the Ministry of Finance, to request that the World Bank Country Office consider additional IDA funding to support this project. Such support would complete the national PSFM system for all 51 Production Forest Areas.

If such efforts are unsuccessful, then the Department would consider to reduce the scope of the additional funding. Such a reduction could be achieved by only providing support to the four remaining rural provinces, and not providing support during the period 2018-2021 to the four provinces added under the current project operations. Thus the additional project support would only cover four provinces, and not eight. **Such a reduction in scope would reduce the budget needs by an estimated 20 percent. Thus instead of \$24.5 million, the budget would be reduced to \$19.6 million.**

The Department of Forestry has adopted a standard model for PSFM in production forests and associated support to village livelihood development. DOF would like to retain this basic model, and just extend it to the remaining provinces, to complete the national system. In addition, the current project is piloting forest landscape management and village forestry, which are expected to provide additional contributions to objectives of emissions control and co-benefits.

The Expert Group review of the concept notes had scored this proposal the highest of all received, with 78 points out of a possible 100 points. Their major comments had been largely positive. They did note, however, that “It would be important to revisit and reassess whether the proposed budget allocation and mode of provision of the Village Development Grants in the expansion areas would indeed meet village needs and provide sufficient incentives for sustainable forest use and management in line with the FIP’s emissions reduction objective.”

This issue can certainly be reviewed, in light of experience to date. As the current project is currently working with villages to finalize their village livelihood development proposals, an analysis will be done very soon of those proposals and their contributions to emissions reductions.

The Ministry of Home Affairs is very supportive of the idea of Lao PDR getting additional support from the FIP Dedicated Grant Mechanism (DGM). If such support were to be approved through the various FIP, World Bank, and Lao Government channels, then additional funds would be available to support local communities with livelihood alternatives to further contribute to emissions reductions.

CLIMATE INVESTMENT FUNDS

October 12, 2015

**Approval by mail: Endorsement of FIP Concept Proposals - Brazil and Ghana
Comments from UK**

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Dear Mafalda

Thank you for providing us with the opportunity to comment on this decision.

The UK is happy to endorse the 2 projects from Brazil and Ghana, based on the understanding that sufficient grant resources may not be available from existing unallocated and/or previously pledged resources. This is in line with para 13 of the November 2014 Sub Committee meeting Co-Chairs summary *The Sub Committee also agrees to make available existing unallocated FIP resources as well as previously pledged resources , once available, to existing FIP pilot countries on a competitive basis to complement activities supported under their endorsed investment plans. These resources may be complemented by any future pledges to the FIP.*

We agree with the suggestion to defer any decisions on the remaining proposals from Burkina Faso, Laos PDR and DRC, in the event that future resources become available but wish to clarify that, in line with the statement above, new pledges do not guarantee the funding of these proposals.

With best wishes

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CLIMATE INVESTMENT FUNDS

October, 2015

**Approval by mail: Endorsement of FIP Concept Proposals - Brazil and Ghana
Burkina Faso Response to US and UK Comments**

BURKINA FASO

Sustainable Management of Fuelwood Sector Project in Burkina Faso

ANSWERS TO COMMENTS FROM UK

COMMENTS	ANSWERS
<p>It is positive to see the objective of developing a national fuelwood management strategy. This is an important acknowledgement of the important contribution that wood fuels make to the country's energy mix and is a critical document that should underpin the nature of the project intervention. However, we couldn't find any reference to the Ministry of Energy, which will be important if the strategy is to have broader support and impact.</p>	<p>Yes the Ministry of Energy will have an important role to play in the development and implementation of the national fuelwood strategy (NFS). There is, within the Ministry for Energy, a department of traditional energy which will be the key collaborator for this activity. In our vision of the NFS, the Ministry of Energy will be in charge of the demand component and the Ministry of Environment and Forests will cover the Offer component. Specifically the Ministry of Forests manages issues related to wood resources (location, planning, management, exploitation, production, etc.) while the Ministry for Energy addresses the issues of substitution and diversification of energy sources. The Ministry of Energy is so a key player for the development and implementation of the NFS, and will be the leader in reducing energy consumption and material substitution. This ministry will also intervene in the development of legislation and taxation of the sector's products.</p>
<p>It is also good to see a project that attempts to look at the entire value chain for charcoal and wood energy, including governance issues, rather than focusing on only one element (usually clean cook stoves). However, we would like to see a more detailed analysis of the political economy of wood energy, and to understand more thoroughly the disincentives to much of the sector engaged in</p>	<p>In Burkina Faso, the advent of Forest Management units in the 90s, has been an advance to formalize the value chain of fuelwood (production, transport and marketing). The stakeholders in the sector are organized in forest management groups (GGF) who exploit the fuelwood from forests under supervision and control of forest administration, and the wholesalers who are in charge of transport and marketing. The GGF and wholesalers have permits from the forestry administration which also is in charge of collecting taxes and enforcing existing regulations. Today, the role of wholesalers is now clarified : they just require to have the transport logistics. In the past, it was necessary not only to have the transport logistics but also to have a network of partners or employees in production to organize production and transportation. This clarification has allowed some wholesalers - carriers to benefit from financing from banks as part of their activities.</p>

<p>wood energy to formalize or legalese. Charcoal production and trade is in most countries categorized by informality and non-compliance with any forest management regulations. With most of the industry operating outside the law, there is little prospect of attracting investment and modernization.</p>	<p>However, the current reality is that the selling price of the wood from GGF to wholesalers do not reflect the real cost of the fuelwood because it doesn't include the cost of wood production. The price paid to GGF rather corresponds to the costs of logging. On this basis, the fuelwood exploitation according to the present structure of price cannot be sustainable because it does not ensure the replacement of cut wood. The project ambition is that all fuelwood be exploited under sustainable conditions. Charcoal chain should be managed in the same sustainable way as that of forest management units.</p> <p>As part of the development of national fuelwood strategy, a diagnosis of the value chain for charcoal and wood energy will be carried out as well as the legal and institutional framework to propose appropriate measures that will lay the foundations for sustainable the economy of the sector.</p>
<p>Any governance reforms to the sector will need to avoid the temptation to over regulate. Evidence from analysis we have carried suggests that over regulation and negative perceptions of charcoal as a dirty backward fuel, keep the wood energy sector largely informal and marginalized. Compliance with regulation is too costly and any business venture that attempts to comply is undercut by the informal sector. Arguably, a key starting point is to make it easier and more attractive for producers to comply. Further analyses of This issue Could be helpful.</p>	<p>For now, and as has been recalled in the concept note, the larger cities such as Ouagadougou and Bobo Dioulasso are supplied by the sustainable supply up to 30% and 20% respectively. Taking all developments; these figures will probably be very optimistic. Forest management units (CAF) actually have a marginal share in the supply of wood products, including wood - energy. It is the marginal nature of the total production of forest management units that inhibits its contribution in improving the governance of forest resources management. Studies conducted between 1998 and 2002 by NGOs showed the following trends:</p> <ul style="list-style-type: none"> (I) Regarding the fuelwood producers organized in GGF / UGGF to exploit forest management units, their commitment to respect standards of sustainable exploitation of forest resources is only threatened by the marginal nature of their weight in supplying of the big consumption centers of fuelwood. (II) As regards to the wholesalers - carriers, it should be noted that these are in the informal sector, which is also combine with a facto monopoly. In time, wood producers were employees or debtors wholesalers - carriers and operate in none managed areas, this relationship always tends to persist even though there are nuances. Their overall behavior is dictated by the fact that most of their activities take place in unorganized areas. Given current situation, one cannot speak of fiscal pressure or over - regulation. According to a study that was conducted in the years 1999, wholesalers - carriers complained only of the obligation imposed upon them to paint their trucks

	<p>following the standards set by the Ministry of forests. These operators also complained of many police control points on the roads. It is clear that in recent years, this control has been greatly reduced;</p> <p>(III) As for retailers, their links with the wholesale transporters are specific to the informal sector.</p> <p>During the development the national fuelwood strategy NFS, issues of the contribution of sustainable managed forests, wood costs, consumer profile, etc. will be investigated in order to update the information essential to understanding the operation of the sector. It is expected from the strategy, the formulation of reform proposals adapted to the realities of Burkina Faso after consultation with all stakeholders.</p>
<p>As a general comment, in many regions, plantations for the sole purpose of wood fuel production have failed as farmers have realized that better incomes are to be had from construction poles and timber. Is there experience of successful woodlot plantation for the purpose of fuelwood supply either amongst small holders or the larger private sector to draw on?</p>	<p>It should be noted that the sahelian climate of Burkina Faso is not very favorable to the production of timber service. So most of the plantations are more oriented towards the production of wood energy. Furthermore most of the planned plantations will be performed in gazetted forests owned by the state which aim produce fuelwood. In terms of plantations for fuelwood production experience, Burkina Faso has promoted successfully since the 1990's the creation of village afforestation for production of wood energy.</p> <p>Generally, plantations for the exclusive production of wood - fire by the private sector failed because other more profitable opportunities are offered. The reasons of this lack of motivation are multiple, ranging from the use of non-adapted species that are offered to producers because of their fast-growing nature, tree management practices outside forests, land productivity, resistance to plant local species, low knowledge of local species, etc. Research activities to be supported by the ongoing FIP projects and the results of the results of the National Forests Inventory 2, will improve understanding of the problem and the adoption of some sustainable solutions. To minimize the risk, the proposed project will combine wood energy plantations with fruit tree plantations outside of gazetted forests to increase incomes and food security.</p>
<p>Similarly, is their evidence from the existing project supported by SNV on bio-digesters that this</p>	<p>Two aspects of financial sustainability have been reviewed in the early stage of the proposal: the financial profitability for the households as well as the sustainability of the bio-digester business for small building enterprises. The early conclusions</p>

<p>component of the project will be effective and financially sustainable/able to compete with informal charcoal production?</p>	<p>show the sustainability for both aspects, even if further work is still currently ongoing with SNV to refine the conclusions.</p> <p>At household level: One of the main selling points for bio digesters in Burkina Faso, according to work carried out by SNV and Hivos, is the high-quality compost/organic fertilizer that the bio digester produces. This compost can be used to improve the quality of the soil and help retain moisture, which is especially important in arid/semi-arid conditions. Farmers using compost have reportedly been able to increase yields of their crops on average by 25%. A bio digester is a large investment for a household and will not compete with commercial charcoal head-to-head, as many households put special value to the compost in their decision-making, in addition to other benefits as reduced indoor air pollution and ease of use of a gas stove, which are not selling points for charcoal. Therefore the challenge is less the sustainability of the investment (cash back is estimated less than 2 years) but is more the affordability of the purchase as it requires a significant upfront investment. The spread of the technology is slowed down because of challenging access to finance for the rural household. That is the reason why a micro-credit/guarantee component is needed in addition to the subsidy for biogas already provided by the Government of Burkina Faso.</p> <p>At the small enterprise level, the Bio-digester business is already profitable. However, the project needs to ensure that the newly-established "Bio digester Construction Enterprises" will expand their business and their customer base until they can expect with confidence a sufficient number of operations to justify their investment in such a specialized business. That is the role of carbon finance to ensure the National Biogas Program continues to operate and provide support to those enterprises until their business model and market knowledge are robust enough.</p>
<p>With respect to the emphasis on improving charcoal making techniques, is there experience of positive uptake of new kiln technologies? Experience elsewhere suggests that fixed kiln technologies are only feasible where</p>	<p>Carbonization, is widely practiced through the use of traditional grinding wheels which pits among others characterized by very low efficiency. Since 2005, Burkina Faso attempts to popularize the "Casamance wheel" that meets a lot of resistance. The real problem is that without adoption of more efficient technologies than those currently used, the future of carbonization as an economic activity is challenged. This is why it is essential today to find and implement more efficient technologies. The project will work to remove the constraints of the extension of the Casamance wheel while identifying in parallel other improved technologies that will be in a second time adapted to the</p>

<p>extensive supplies are easily available without the need for transport. Or is it the intention of the project to support minor improvements related to traditional mobile kiln technology?</p>	<p>conditions of Burkina Faso. The option of the project is to work on improving the traditional mobile units of charcoal production, given the limited availability of wood in the country.</p>
<p>We would appreciate further clarification on who will be engaged in the plantation activities on forest reserves, and the restoration activities in conservation forests. Is it envisaged that private individual smallholders will be involved? Or will it be larger scale private sector investors, the state, or community groups?</p>	<p>Planting works and forest restoration activities will be exclusively carried out by communities living near the gazetted forests, organized in forest management groups (GGF), on the basis of a contract to be signed with the project. The communities groups will realize the work of planting and forests maintenance under the supervision of the regional technical services.</p>

BURKINA FASO

Sustainable Management of Fuelwood Sector Project in Burkina Faso

ANSWERS TO COMMENTS FROM US

COMMENTS	ANSWERS
<p>While the project concept has much potential, it requires a more considered, detailed, and step-by-step analysis of the barriers to improved practices at each step in the value chain, as well as how such barriers may be overcome in a sustainable and financially-feasible way.</p>	<p>1. FUELWOOD VALUE CHAIN</p> <p>As for fuelwood, the main barriers facing the project will include: the price of wood, operating techniques, the availability of the resource, the non-compliance, taxation, productivity purveyor's species, forestry of woody species, etc.</p> <p>Fuelwood price: In general way, the price of wood production is not included in the transactions surrounding the fuelwood trade. Everything happens as if the resource is free, and the price components of wood integrate only the efforts to exploitation, transport and processing. In 1992, a study conducted in the supply areas of Ouagadougou showed that if one should give a real price to the wood, the purchase price of the cubic meter of fuelwood would be at least 9,000 FCFA, whereas the purchase price from forest management units, at the moment, was only 1610 FCFA. Since then, the purchase prices of wood paid to GGF evolves and increased to 2,200 F CFA in 1998 and 3400 CFA francs in 2013. With this slow evolution of this price, wood producers cannot make consistent revenues at the moment and so their activity is not a profitable business, at least not financially.</p> <p>Resource availability: Burkina Faso is, in general, deficient in wood. This deficit manifests itself with much more acute around major urban centers, characterized by increasing demand. Despite the plantations made about 14 000 ha a year, the situation continues to worsen. That why the project approach is act on multiple factors to increase the supply of wood starting from supporting reforestation by communities and private sector, identification of fast-growing species, using of improved farming techniques and planting, improving the management of trees outside forests, improving the performance of certain techniques such as direct seeding, etc.</p> <p>The non-compliance to the regulation causes negative ecological impact of logging on forest stands and on the sustainability of forests management initiatives such as forest management units (CAF). This is why it is essential to continue fostering the population awareness and also strengthening the control actions of forests exploitation.</p>

The taxation of logging includes various taxes and fees. The experience of establishing a Forest Management Fund for each forest helped secure management of the Forest management units (CAF). Beyond the CAF, a well-established taxation can greatly reduce the fraudulent use and its negative impacts on sustainable forest management initiatives. A study to be conducted on forest taxation will identify and / or strengthen certain mechanisms that it is effectively a tool promoting a sustainable management of forest resources.

Insufficient knowledge of local forestry species: Overall Burkina forestry staff has still limited knowledge on local species despite the many progress. This situation handicaps the technical advice that the forest agents have to provide to the communities. The knowledge gap covers the breeding techniques to genetic improvement techniques and the most appropriate silvicultural treatments. Many hopes are borne from the expected results of the research activities that will be implemented under the FIP.

2. CHARCOAL VALUE CHAIN

As regards the production and marketing of charcoal, the basic barriers are: the poor performance of the technology, The lack of implementation of sustainable harvesting techniques, non adequate taxation, lack of master plans for charcoal supply, disorganization of production and marketing activities, the origin of personnel employed for carbonization and the scarcity of wood resources.

The poor performance of the technologies used: At present, the technology widely used is traditional pit that has very low performance. Generally one uses 5 kg of wood to produce 1 kg of charcoal. This practice therefore appears to be a waste of resources for a country with limited resources such as Burkina Faso. That is why the project will support identification and promoting more performant technologies and adapted to the ecological conditions of Burkina Faso.

The non-implementation of sustainable exploitation techniques: the sites of charcoal production are currently managed outside all norms of a sustainable management. The diagnosis, to be conducted, aims to assess the extent of negative impacts of current used charcoal production techniques and to propose appropriated measures to improve their environmental performance. These measures may result in an increase in the price of charcoal which is the normal because today charcoal is not sold as a product

	<p>manufactured from wood but as a by - product of wood. The extension of the obligation to apply the rules of sustainable use of wood will help the charcoal producers to face the real impacts of their activities.</p> <p>The lack of supply master plans: the cities of Ouagadougou and Bobo Dioulasso, which are the largest charcoal consumers, have not yet wood and charcoal supply master plans. These plans are essential tools which will enable the development of an appropriate national fuelwood strategy planned by the project.</p> <p>The origin of the producers on carbonization sites: the carbonization sites are manned by people from outside of the territories in which the wood is cut and charred. The production of charcoal is not sustainable. This created the conditions for an exploitation that does not benefit to the communities of surrounding villages who are the owners of forest resources. The project planned to organize local communities of the forests to integrate them in the value chain of the charcoal.</p> <p>The different barriers to a sustainable development of the fuelwood value chain will be identified and analyzed in detail during the project preparation phase for an appropriate design of the project activities and to refine the project' implementation strategy.</p>
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CLIMATE INVESTMENT FUNDS

October 2015

**Approval by mail: Endorsement of FIP Concept Proposals - Brazil and Ghana
DRC Response to US and UK Comments**

DEMOCRATIC REPUBLIC OF THE CONGO (DRC)

Support Project for the Development of Agroforestry in four provinces of the DRC (PRODAF)

ANSWERS TO COMMENTS FROM UK

COMMENTS	ANSWERS
<p>1. The extent to which the degraded lands identified in the project areas are currently supporting livelihoods, and more importantly, whose livelihoods. This will be important to understand if a new approach to investing in these areas is going to take place.</p>	<p>We call degraded land : 1) the anthropic savannah soils burnt every year, sometimes many times, hostiles to natural regeneration; 2) the cultivated land where fallow is under 4 years and the yields regularly decline ; 3) the perennial plantation of more than 30 years, poorly or not at all managed, and requiring investment to be renewed.</p> <p>The situation is different dependent of the agro economic zones of the project area and the implementation approaches also will be different. The level degraded lands using and supporting livelihoods depend between zones. Four agro-economic zones are found in the project ongoing FIP areas:</p> <ul style="list-style-type: none"> ○ Rain forest zone of the Banalia road (Province Orientale) and the surroundings of Kisangani: high human density, forest at more than 10 km from the villages, rivers sometimes marking the limits of agricultural expansion, land tenure conflicts, fallow duration under 5 years depending on the distance to town, but an increasing crown of trees gardening around the houses, still acceptable yields of cassava. But one can see at no more than 15 km from this road, around the Masako classified forest and strongly threatening this forest that a huge anthropic savannah has appeared since ten years, from an original cover of forest. These degraded lands are not used for agriculture because of the distance from Kisangani and villages. So they are not contributing significantly to the livelihoods of the communities. The project activities will focus on the rehabilitation of degraded savannah. ○ Rain forest zone of the Opal territory (Province Orientale): many hevea and palm oil plantations (industrial and small size, from 5 to 5000 ha) abandoned during the 70's and 80's, cash crops evolving then toward the slash and burn rice cultivation. New industrial plantations started again these last ten years, buying all cash crops to small farmers for, low human density but concentrated along the main road and the few cities: available land in the primary forest at more than 10 km from these cities. In this area the project will mainly support the rehabilitation of the abandoned plantations. ○ Very degraded herbaceous and rarely bushy savannah land around Mbuji Mayi in the Kasai Oriental: no more forest galleries, some lands with an acceptable agronomic potential, very high human density (more than 300/km²) but farming concentrated along the roads. Degraded lands are abandoned because of their low productivity. So people are walking sometimes more than two hours to find their fields: for hours go and back by step to work and get poor food. Agriculture is developed on more productive lands. The project will promote agroforestry on the abandoned degraded lands. ○ Same situation for the savannah in the Masimanimba territory (Gecotra, Bindungi and Kitoy sectors) , degraded and herbaceous due to recurrent bush fires but presence of better forest galleries along the Inzia river for instance and old degraded oil palm plantations (more than 30 years). In this area the project

	<p>will invest only the plantations to be made by Gecotra on its' own lands.</p> <ul style="list-style-type: none"> ○ Less degraded savannah area in the Kasai Occidental, boarding forest galleries, fallow duration from 5 to 6 years everywhere. High human pressure along the main road. Better yields than in Mbudji Mayi, but people complaining about limited availability of productive lands not too far from the villages. Project will invest for agroforestry on lands far from villages (up to 5 km) to avoid competition with agriculture activities. <p>Project activities will therefore be developed in areas where they do not negatively affect the livelihoods. To minimize potential negative impacts the livelihoods in the project area, the project intervention will be governed by the following criteria:</p> <p>1) In the radius of 1-2 km around the villages, where are generally concentrated abandoned plantations and tree crops box, project' interventions will focus on the rehabilitation of degraded plantations, the introduction of improved planting materials and plantations of boarding fields and road;</p> <p>2) In the radius of 2-5 km around the villages, where food crops are used, and along the main roads, the project' activities will be limited to low-density plantations (15 and 20 m in the fields, in "parks", borders and along the roads which will allow the continuation of agriculture activities).</p> <p>3) In the radius beyond 5 km villages, specialized plantations will take place, especially behind the cassava fields, improved fallow by introducing short-cycle species such as acacia and fruit species. It is on these uncultivated savannah lands, beyond 5 km from the village that will be concentrated the plantations and on GECOTRA industrial concessions or on semi industrial abandoned plantations (old plantations).</p> <p>During the project preparation, an environmental assessment will be conducted to characterize the degraded lands and associated livelihoods, identify potential impacts and propose the appropriate mitigation measures.</p>
<p>2. Although many assurances have been provided that no "new" forest areas will be cleared or in danger from oil palm plantation activities, this is not within the project's scope to control. Is their potential for the investments by the company to act as a pull factor for new settlers to come into the area and establish more oil plantations in forest areas? This risk has not been acknowledged, does this mean it is highly unlikely?</p>	<ol style="list-style-type: none"> 1) In the project area, savannah zone of the Bandundu, most of the forest have already disappeared. So the risk of their aggrieved disappearance is low or nihil. Even the last forest galleries are seriously threatened every season by the new slash and burn farmers' agriculture. 2) Some of these savannahs are anthropic ones, it means that they were forests and that they have a potential for palm plantations. Soils are fitted with it. Farmers can plant oil palm and acacia etc. in these anthropic savannahs. Gecotra will help them to do it, in their own savannahs. 3) Gecotra will mobilise its own old plantations (which are some of them somewhat abandoned) to manage this deal with the farmers: it will give to them lots of old plantation to rehabilitate and pay them for the maintenance of the new ones. 4) So that, in their own savannahs, or in the ones of Gecotra, a part of their labour will be used in sustainable agriculture (oil palm plantations) instead in slash and burn agriculture, threatening the last forest galleries. One has to always remind that slash and burn agriculture requires 7 to 10 times the forest area of the perennial crops, and that just by demographic growth the need for new slash and burn area taken to the forest is 3% of the already cultivated and fallow land (degraded). 5) The first think that the project has to do in the Gecotra area is to fix up a Natural resources management plan to mobilize the communities for

	<p>the protection of the last forest galleries and to clearly identify anthropic savannahs where to create plantations and afforestation.</p> <p>6) These savannahs are not rare at all in the Gecotra area. They are indeed huge by thousands of square km and empty. But of course, a protection zone of 5 km from the villages has to be settled where to limit plantations (see above).</p> <p>In fact the proposed model of oil palm culture, in partnership between farmers and companies, will instead limit forest clearing, as it will set agriculture, and consume less areas that farmers consume and slash burn. On the other hand, the most profitable form of these plantations, is not the great plantation, but small peasant plantation, federated by a buyer. This is the Gecotra model. This model is good from an environmental point of view, insofar as it mobilizes some of the hand peasant family labor on a fixed culture (here the palm) rather than shifting cultivation destroys seven times the forest (fallow).</p>
<p>3. Will fuelwood as a specific objective for plantations be realistic? Experience from elsewhere suggests that farmers in particular will prefer to grow trees for poles and timber, with fuel wood only as a by-product. Is there other experience from the region to build on?</p>	<p>In DRC, with slight variations, one ha of forest (primary or secondary one after ten years) brings 1400 USD from charcoal and the maize/cassava sole behind gives 1000 USD. The demand of the urban markets for charcoal is important and the price around 20 dollar the bag, 300 USD per ton. The DRC FIP has produced in February 2015 a fuel wood value chain survey in the three provinces of the PIREDD MBEKIS (1). The demand for charcoal and fuelwood is confirmed everywhere, in addition to that for timber, which is satisfied by the artisanal forest exploitation. It is true that in the east of the country there is a demand for poles satisfied mostly by eucalyptus plantations. But this is not general and depends on the building habits. In the Kasai Oriental and Occidental urban houses are built with cement and timber roofing. In the Province Orientale, Kisangani Basin, brick houses are roofed with timber and poles. Everywhere (including the East where the Parc des Virunga is the first origin) the demand for charcoal and fuel wood is important. This is due to little access to electricity in DRC, and limited use of natural gas. About 27 million inhabitants of the republic are urbans. 90 % of them are strictly depending on the charcoal for cooking purposes. It means 400 million tons of charcoal per year in Kinshasa only.</p> <p>The high demand of fuelwoods in DRC, makes profitable its' plantation. In addition the project will support the fruit crops combined fuel woods plantation.</p> <p>The most known example is Mampu, in the Plateau des Bateke, where 8000 ha of acacia plantation were planted since 1991 in pure waste sandy herbaceous savannah, allotted since 1993 in farms of 24 ha on which 2 ha are cut and cultivated each year, is now 1) keeping the size of the initial acacia forest ; 2) giving tons of honey, 300 to 400 bags of charcoal per ha, 15 tons of cassava and 2 tons of maize per ha and revenues of more than ten times (5000 dollars per year) these of the traditional slash and burn farmers (400 dollars per year) ; 3) is creating a lot of profitable jobs in additional labour on the farm, labour coming from Kinshasa ; 4) has not created the single invasive or pest problem to the natural forest (which grows anyway very slowly on these very poor soils) since 1991. This same pattern, with variations, is encountered in Bas Congo, Kantaga and Bandundu.</p> <p><u>A detailed economic analysis will be produced in the appraisal report of the project.</u></p>
<p>4. Does the GECOTRA Company already have experience of carrying out the Taungya model</p>	<p><u>Experience of Gecotra with the Taungya model</u></p> <p>The concept of "Taungya model" is very extensive. For many it means the permanent presence of forest or fruit trees with food crops under trees. Since trees are in competition with food crops, the risk of farmers to cut them is indeed great. We are experimenting with success another model in savannahs,</p>

¹ Analyse de la filière bois énergie dans les trois provinces du PIREDD Mbekis, SNV/FIP. 2015

<p>proposed here? Experience elsewhere shows this to be of variable success. In an area where better quality land for agriculture may be in short supply, the likelihood of farmers agreeing to just a few years of cultivation before canopy closure may be difficult to achieve, with potentially poor rates of survival for the plantation species and the potential for social conflict.</p>	<p>where people face land degradation problems : the trees are planted for 5 or 6 years and cut, as in a slash and burn system, transformed in charcoal and a cultivation cycle of cassava and maize is led during 2 years, thanks to the regeneration of soils supported by acacia. During these two years the acacia is set up inside the cassava and a new cycle begins.</p> <p>Following the remarks of the experts group, we have slightly modified the model so that beside the acacia plantations, we will assist natural regeneration of the forest, where it can be done especially near the forest galleries, where soils are not too sandy. This can be achieved behind the firebreaks. Several models will be tested behind the firebreaks, including oil palm and even coffee plantation in savannah when suitable with the soils.</p> <p><u>This model limit competition with slash and burn agriculture because:</u></p> <ul style="list-style-type: none"> • There is already no forest land available in this area but forest galleries very much threatened by slash and burn agriculture. • Savannah land is not rare, it is wide open and not cultivated. It is not in short supply at all. The project aims to create forests in the savannah land through acacia planting. The true problem for it is the risk of not protecting the plantations after the cultivation period (before the canopy closure). This risk is to reckon and to manage, at least during the project duration. The fire breaks will have to be regularly maintained through dedicated incentives. <p>For these activities, Gecotra staff is technically trained and has experimented since many years a fruitful relation with the farmers including land tenure arrangements for more than 15 years.</p>
<p>5. We agree with the expert group that the component relating to supporting the national MRV system is not a good fit with this project proposal and would suggest removing it.</p>	<p>The MRV component has been attached to the project to demonstrate that the country also works on developing and operationalizing a monitoring and reporting system. The MRV project, funded by the AfDB, under preparation separately, will be approved in 2015 and will start before the end of this year. This component will be removed from the proposal.</p>
<p>6. Has an adequate analysis of the push factors from the savannah zone mentioned in the explanatory notes/responses been carried out? It would be surprising if improved fuelwood access and improved cassava production alone were sufficient to prevent migration out of the region.</p>	<p>They have been surveyed in the Kwamuth forest area where settlers are mostly from the Massimanimba territory. The factors of the departure are always the deforestation of their sectors, not allowing them to find good forest to cultivate and get good revenues. Ten years ago, another strong motive was the mosaic disease of the cassava in savannahs, where yields could be divided by two and three, leading to sporadic starvation. Until now, a large diffusion of improved varieties have been achieved, and yields are getting better and sometimes very good, due to the resistance to the disease of the cultivars.</p> <p>The deforestation in the Masimanimba territory is caused by the scarcity of forest galleries, charcoal exploitation and extensive slash and burn practices. We want to help farmers to cultivate the savannahs, and the Taungya system is a way of doing it maintaining acceptable yields. We think that farmers involved in the project will have no reason, being owner of planted forest and oil palms, to emigrate in view of getting new forest in places where they will be strangers.</p>

DEMOCRATIC REPUBLIC OF THE CONGO (DRC)

Support Project for the Development of Agroforestry in four provinces of the DRC (PRODAF)

ANSWERS TO COMMENTS FROM US

COMMENTS	ANSWERS
1. We do agree with some of the concerns identified by the expert group, such as the broad definition of “agroforestry” and the lack of clarity on what constitutes “degraded land.”	<p><u>Broad definition of agroforestry:</u> We are speaking of taungya models where the tree cutting and charcoal making, precedes a two year food crops cultivation. This is a slash and burn system but with a strongly assisted regeneration of the tree cover, comparable to the fallow. This system or model can be improved by honey breeding and by introducing wild food species like <i>gnethum africanum</i> (mfumbwa). In the Bas Congo we observe a spontaneous evolution of this model, using acacia specie, towards a permanent forest sparsely cut (one tree, two trees to make charcoal) and associated food crops in the clearings (rice, banana, oil palms...).</p> <p><u>Degraded land:</u> We call degraded land : 1) the anthropic savannah soils burnt every year, sometimes many times, hostiles to natural regeneration; 2) the cultivated land where fallow is under 4 years and the yields regularly decline ; 3) the perennial plantation of more than 30 years, poorly or not at all managed, and requiring investment to be renewed.</p>
2. Consideration of the risks of agroforestry promotion and the potential negative impacts on natural forests must be fully analyzed and mitigated.	<p>The environmental assessment of the project will assess the potential negative impacts of agroforestry and will propose appropriate mitigation measures to be included in project activities.</p> <p>On the risks associated with oil palm promotion, see our answer to question 2 from UK.</p> <p>See also our answers to question 3 (on the benefits of fuelwood plantations for forest conservation) and 6 (on the benefits of agroforestry in savannah area to limit migration to forest areas) from UK.</p> <p>We have accepted the experts demand to consider regeneration of natural species and we will achieve this by protecting burnt savannahs from fire. In the two Kasai provinces, we will promote the low density cultivation of <i>milletia</i> (iroko) everywhere in the fields, like some farmers are already doing. But, DRC has a long experience of more than 40 years of acacia plantation, without any sanitary problem, a very quick growth in sandy soil, just comparable to that of eucalyptus, giving a very good wood for charcoal, capable of improving the soil etc. We will nevertheless promote plantations including various species complementary to the acacia: caterpillar trees in particular, fruit trees. But, we highlight that the Makala Project of the CIRAD has not underline any inconvenience with the acacia, and no more did the Professor Le Jolly of the UCL (Université Catholique de Louvain), involved in the IBI Bateke the Mampu projects.</p>
3. Why is concessional support for semi-industrial palm oil needed? How will this reduce	<p><u>Why is concessional support for semi-industrial palm oil needed?</u> Because in DRC there is no other possibility to finance agricultural</p>

<p>pressures on natural forests? The argument on these issues would need to be very strong in order for this project concept to succeed.</p>	<p>investments. No commercial nor development bank is ready to supply funds for agricultural projects, especially long terms projects like perennial crops.</p> <p><u>How semi-industrial palm oil projects will reduce pressures on natural forests?</u> The semi-industrial projects are developed following a communities – private sector partnership model. The communities provide labour and production of products and the private sector guarantees a market for the products. By securing income for the participating communities, those - will continue to maintain existing plantations instead of clearing new lands in natural forests for more fertile lands to maintain their income. Farmers labour can be used either to destroy the natural forest with slash or burn technique or it can be utilized by fixed perennial crops plantations. Farmer labour availability is limited. Farmers need it to get food and money. Farmers are demanding no more than getting money from plantations instead of getting it from destroying forests. The very strong argument in favor of their involvement is the price of their labour paid by the owner, which is greatly superior to what they could get from slash-and-burn agriculture. In the case of the Gecotra plantation the remuneration of the farmer labour is provided by two means: by direct payment before the harvest (plantation, maintenance) and by fruit payment belonging to the farmer by contract with the owner (after 6/7 years).</p> <p>On the risks associated with new settlers, see our answer to question 2 from UK.</p>
<p>4. -- It is not clear how the component relating to strengthening national MRV relates to the rest of the project.</p>	<p>The MRV component has been attached to the project to demonstrate that the country also works on developing and operationalizing a monitoring and reporting system. The MRV project, funded by the AfDB, under preparation separately, will be approved in 2015 and will start before the end of this year. This component will be removed from the proposal.</p>

CLIMATE INVESTMENT FUNDS

October, 2015

**Approval by mail: Endorsement of FIP Concept Proposals - Brazil and Ghana
Ghana Response to US and UK Comments**

RESPONSES TO COMMENTS SUBMITTED BY UK ON THE FIP ADDITIONAL FUNDING PROPOSAL

Ghana concept: Reducing degradation and deforestation due to mining - UK Comments

The Government of Ghana appreciates the comments submitted by the UK and will take these into account in further development of the project proposal. The Ministry notes that the submission to the FIP Subcommittee is a concept note that will be further developed to demonstrate how the site-specific interventions will contribute to national efforts to influence and bring under control the illegal mining situation. The Ghana Forest Investment Program (GFIP) as a whole uses the strategy of testing implementation of specific pilot interventions at the subnational level to demonstrate success on the ground with the aim of replicating lessons learnt at national level. This proposal follows the same principle. The interventions are being piloted at the subnational level in the Western and Eastern Regions and the success stories will be replicated at the national level. This activity will contribute as part of a wider suite of actions being undertaken by the Government, as explained further below.

Comments: The project title is slightly misleading in that the focus appears to be on reclaiming degraded land after degradation from mining has already occurred.

Response

The concept envisaged is to focus on reclamation and restoration of mined out areas as part of the GFIP's overall goal of reducing deforestation and degradation in Ghana, which has several drivers. The proposal is complementary to the Ghana Forest Investment Plan and the Natural Resource sector policy as a whole. Illegal mining is recognized as one of the causes of land degradation and deforestation, particularly in certain regions. The Government has put in place several programs – and devoted considerable resources – to address the underlying issues in the mining sector (detailed below). This proposed project would focus on the most visible negative results of past mining, as a way to engage communities in developing lasting solutions and demonstrate successful models that can be scaled up. By empowering communities to organize and improve the landscape, and by increasing the presence and visibility of forest protection and extension staff in these areas, the project will signal to illegal miners and to other communities that change is possible. As a co-benefit, this activity will capitalize on the opportunity to use these areas to improve community livelihood opportunities.

Comment: This is another interesting project with a focus on restoration/reclamation, and addressing an important driver of land degradation and deforestation. The strategic case to intervene is well made, but we are not entirely convinced that the intervention area that has been prioritised is sufficient to address the challenge.

Response

The Ghana Forest Investment Plan (GFIP) aims to demonstrate positive interventions on the subnational level with the aim of replicating lessons learnt at national level. This same principle applies to this proposal. The interventions are being piloted at the subnational level in the Western and Eastern Regions and the success stories will be replicated at the national level. The resources available from FIP are not sufficient to address all illegal mining activities in Ghana. Ghana proposes to use the available resources strategically in key locations on specific activities that empower communities and demonstrate visible results in a short time frame. Positive lessons can be scaled up with other resources and replicated to other communities based on their level of interest and commitment. This will contribute to building a constituency for more positive action and show local communities, officials, and district representatives that constructive alternatives are within reach, financially, technically and socially.

The criteria for selecting the focal areas are:

- Currently, Eastern and Western Region of Ghana are the hotspots of illegal mining in the country
- Government's pilot initiatives to enforce laws and guard against illegal mining are concentrated in these two regions, so that this intervention can complement ongoing effort.
- The two regions have witnessed the highest levels of degradation in terms of illegal mining.
- Carbon abatement potential studies conducted during the preparation of the Ghana Investment Plan showed that these regions have high emission reduction and carbon enhancement potentials.

Comment: The proposal, if understood correctly, focuses on reclaiming degraded land rather than addressing the fundamental problem which is one of a largely unregulated informal mining sector operating without restriction. There is little likelihood or incentive for the smaller scale "illegal" mining operation to formalise since meeting the stringent requirements set out by the environmental protection act are unlikely to lead to compliance without substantial support. It isn't clear how the project aims to deal with this fundamental issue. The proposal refers to other efforts to prevent the degradation from unregulated mining happening in the first place, but it is not clear whether these activities will indeed be complementary or of sufficient scale, in the geographical areas being targeted.

Response

A key component of the proposal is addressing illegal mining as a driver of deforestation and land degradation. Even though mining contributes about 5% as a driver of deforestation for the whole country (agricultural expansion and timber harvesting contribute 50% and 35% respectively), information from the EPA and field officers indicate that in areas like Western and Eastern Regions, the portion of deforestation pressure that can be attributed to illegal mining is around 40%.

Some of the causes of this high rate of deforestation through illegal mining are

- Challenges in the enforcement of laws,
- Inadequate capacity of human resources at the District level to manage natural resources
- Challenges in regulation of small scale mining activities

The Government recognizes these challenges. The Government through the Office of the President, the Ministry of Lands and Natural Resources, and the Environmental Protection Agency has put in motion both policies and operational measures to tackle these challenges. Some of the key measures include:

- Review of the Environmental Assessment Regulation by the EPA to clearly define the environmental requirements for small scale mining.
- Policy on simplification and regularization of small scale mining to incentivise illegal operators to regularise their activities.
- Conducting geological investigation to identify and block suitable areas for small scale miners to assess and regularise their operations to enable easy monitoring and regulation.
- Assistance to obtain fair market prices for their minerals by the control of illicit dealings and trading of minerals through appropriate licensing and providing necessary market information and training;
- A range of measures to facilitate access to finance, which may include co-operative savings, pooled equipment leasing arrangements and concessional lending schemes
- Assistance in business skills training.
- Capacity building and institutional strengthening at the District Assemble Level (Local Government) to manage mineral resources.
- Setting up of additional District Offices for the Minerals Commission to monitor the operations of Small Scale Miners and illegal operators
- Formation of District Mining Committee to assist Officers of the Minerals Commission and District Assemblies in the management and regulation of the use of mineral resources.
- Presidential Task Force at the National Level
- Rapid Response Teams at the Regional level to combat illegal mining and enforce the law in the country including Western and Eastern Regions.
- Passing of the local content law to allow local companies (Communities) to provide some mining support services to improve the socio-economic lives of mining communities.
- Alternative livelihood support to mining communities to help them move away from economic dependence on the “galamsey” operations

This proposed project will complement this wider range of efforts being undertaken by the Government. It will focus on visibly degraded sites as way to engage communities in devising and implementing solutions based on land rehabilitation and demonstrate successful models that can be scaled up. By empowering communities and increasing the visibility of forest protection and extension officers, the project will help to ward off new illegal mining in these areas and demonstrate the positive impact of integrated action by communities and government working

together. Communities will also get access to improved livelihood opportunities on rehabilitated land (natural and agroforestry trees).

It is worth mentioning that a similar approach has been successfully adopted by the Ministry in the implementation of two of the projects under the GFIP where we have partnered with key Government Agencies implementing activities that directly affect the forest landscaped to provide support to GFIP project areas. The IBRD coordinated project under the GFIP “Enhancing Natural Forest and Agroforest Landscapes has signed a Memorandum of Understanding with Ghana Cocoa Board to ensure timely supply of agro inputs to cocoa farmers and extension services to project beneficiaries. In view of this the project does not need extra funding to purchase agro inputs and engagement of services of Extension Officers since the COCOBOD is providing them.

Comment: It would be useful to have some political economy analysis making clear who the “galamsey” miners are, what their relationship is with local communities in the proposed project areas (are they outsiders, are they members of the communities where they are operating?).

Response

As has been mentioned earlier, the Government has put in place a number of activities to address the illegal mining issue. This is an issue of national concern at the highest levels and interventions developed to date have been built on and understanding of the political economy issues, especially considering the high value nature of much of the illegal mining. As noted above, the current submission is a concept note. As the concept is developed into a full-fledged project, we plan to commission socio-economic studies and political economy analyses to deepen understanding of the issues and potential alternative approaches that may prove fruitful in specific districts and communities.

In quick summary, studies undertaken on the issue of illegal mining and “galamsey” have found that;

- “Big Shot Financiers” of the illegal mining activities are usually people outside the communities.
- Middle management level for the illegal operations and the labour are often from the community or nearby communities.
- The labourers are engaged and paid for their services (meaning they are not profiting directly based on the value of the minerals extracted).

It is envisaged that with transformational initiatives underway – partially supported by other components of the GFIP (plus the FCPF and the NREG projects) – including policy on tree tenure and legislation on benefit sharing, community members will become more likely to commit to

ventures that have sustainable, long term and diverse benefits, rather than short term gains which are destructive to the environment and particularly water bodies.

This shift in attitudes and practices will be supported by information campaigns for awareness creation and community sensitization. In these ways, the project aims to affect behaviour and change the status quo.

RESPONSES TO COMMENTS SUBMITTED BY USA ON THE FIP ADDITIONAL FUNDING PROPOSAL

3. Ghana – Reducing Degradation and Deforestation due to Mining in Forest Landscapes USA Comments

The Government of Ghana appreciates the comments submitted by the USA and will take these into account in further development of the project proposal. The Ministry notes that the submission to the FIP Subcommittee is a concept note that will be further developed to demonstrate how the site-specific interventions will contribute to national efforts to influence and bring under control the illegal mining situation. The Ghana Forest Investment Program (GFIP) as a whole uses the strategy of testing implementation of specific pilot interventions at the subnational level to demonstrate success on the ground with the aim of replicating lessons learnt at national level. This proposal follows the same principle. The interventions are being piloted at the subnational level in the Western and Eastern Regions and the success stories will be replicated at the national level. This activity will contribute as part of a wider suite of actions being undertaken by the Government, as explained further below.

Comment: We appreciate the strong argument for a project dealing with deforestation caused by mining, given its importance as a driver of deforestation in Ghana. We also note the strong co-benefits provided by this project with respect to environmental well-being and livelihoods.

Response:

The Government appreciates this recognition for its efforts to address this key contributor to land degradation and deforestation. We have initiated efforts to address the underlying issues in the mining sector (detailed below). This proposed project would focus on the most visible negative results of past mining, as a way to engage communities in developing lasting solutions and demonstrate successful models that can be scaled up. By empowering communities to organize and improve the landscape, and by increasing the presence and visibility of forest protection and

extension staff in these areas, the project will signal to illegal miners and to other communities that change is possible. As a co-benefit, this activity will capitalize on the opportunity to use these areas to improve community livelihood opportunities.

Comment: The project's potential for reducing emission of/enhancing removal of ghgs is less clear and needs to be strengthened. This may require more emphasis on or explanation of the project's goals for preventing future deforestation caused by mining. (This is based on our understanding – possibly incorrect -- that the reclaimed areas would not necessarily be reforested, but may be used for agricultural purposes.)

Response

Emission Reduction

A key component of the proposal is addressing illegal mining as a driver of deforestation and land degradation. Even though mining contributes about 5% as a driver of deforestation for the whole country (agricultural expansion and timber harvesting contribute 50% and 35% respectively), information from the EPA and field officers indicate that in areas like Western and Eastern Regions, the portion of deforestation pressure that can be attributed to illegal mining is around 40%.

Some of the causes of this high rate of deforestation through illegal mining are

- Challenges in the enforcement of laws,
- Inadequate capacity of human resources at the District level to manage natural resources
- Challenges in regulation of small scale mining activities

The Government recognizes these challenges. The Government through the Office of the President, the Ministry of Lands and Natural Resources, and the Environmental Protection Agency has put in motion both policies and operational measures to tackle these challenges. Some of the key measures include:

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- Policy on simplification and regularization of small scale mining to incentivise illegal operators to regularise their activities.
- Conducting geological investigation to identify and block suitable areas for small scale miners to assess and regularise their operations to enable easy monitoring and regulation.
- Assistance to obtain fair market prices for their minerals by the control of illicit dealings and trading of minerals through appropriate licensing and providing necessary market information and training;

- A range of measures to facilitate access to finance, which may include co-operative savings, pooled equipment leasing arrangements and concessional lending schemes
- Assistance in business skills training.
- Capacity building and institutional strengthening at the District Assemble Level (Local Government) to manage mineral resources.
- Setting up of additional District Offices for the Minerals Commission to monitor the operations of Small Scale Miners and illegal operators
- Formation of District Mining Committee to assist Officers of the Minerals Commission and District Assemblies in the management and regulation of the use of mineral resources.
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- Passing of the local content law to allow local companies (Communities) to provide some mining support services to improve the socio-economic lives of mining communities.
- Alternative livelihood support to mining communities to help them move away from economic dependence on the galamsey operations

This proposed project will complement this wider range of efforts being undertaken by the Government. It will focus on visibly degraded sites as way to engage communities in devising and implementing solutions based on land rehabilitation and demonstrate successful models that can be scaled up. By empowering communities and increasing the visibility of forest protection and extension officers, the project will help to ward off new illegal mining in these areas and demonstrate the positive impact of integrated action by communities and government working together. Communities will also get access to improved livelihood opportunities on rehabilitated land (natural and agroforestry trees).

It is worth mentioning that a similar approach has been successfully adopted by the Ministry in the implementation of two of the projects under the GFIP where we have partnered with key Government Agencies implementing activities that directly affect the forest landscaped to provide support to GFIP project areas. The IBRD coordinated project under the GFIP “Enhancing Natural Forest and Agroforest Landscapes has signed a Memorandum of Understanding with Ghana Cocoa Board to ensure timely supply of agro inputs to cocoa farmers and extension services to project beneficiaries. In view of this the project does not need extra funding to purchase agro inputs and engagement of services of Extension Officers since the COCOBOD is providing them.

Carbon Enhancement Potential

On the issue of enhancement, please note that the areas that would be reclaimed under the project would serve as pilot demonstrations for testing climate smart agroforestry and plantation development technologies that are being developed under the GFIP Program (comprising two projects coordinated by WB and AfDB - Engaging Local Communities in REDD+ and Enhancing Natural Forest and Agroforest Landscapes) for off reserve areas.

In the on reserve areas which is about 60% of the proposed project area of intervention are degraded permanent forest reserves which the Ministry intends to restore to a higher functioning ecological condition using enrichment planting and plantation development.

One of the motives behind the reclamation is to make land available to community members to engage in climate smart agroforestry practices so that they have less incentive to extend their agricultural activities into intact forests. As stated in the proposed concept, studies on soil carbon enhancement initiatives and incorporation of trees in agricultural farming systems in the GFIP will be tested and replicated using the reclaimed mined out areas. Thus, there is a synergy between existing GFIP interventions and this proposed additional one.

Comment: In general, there needs to be a stronger analysis of how the project will work to reduce forest clearance by miners. Who is undertaking such mining activities? Are they local people or others? Is such mining always illegal?

Response

As has been mentioned earlier, the Government has put in place a number of activities to address the illegal mining issue. This is an issue of national concern at the highest levels and interventions developed to date have been built on and understanding of the political economy issues, especially considering the high value nature of much of the illegal mining. As noted above, the current submission is a concept note. As the concept is developed into a full-fledged project, we plan to commission socio-economic studies and political economy analyses to deepen understanding of the issues and potential alternative approaches that may prove fruitful in specific districts and communities.

In quick summary, studies undertaken on the issue of illegal mining and “galamsey” have found that;

- “Big Shot Financiers” of the illegal mining activities are usually people outside the communities.
- Middle management level for the illegal operations and the labour are often from the community or nearby communities.
- The labourers are engaged and paid for their services (meaning they are not profiting directly based on the value of the minerals extracted).

It is envisaged that with transformational initiatives underway – partially supported by other components of the GFIP (plus the FCPF and the NREG projects) – including policy on tree tenure and legislation on benefit sharing, community members will become more likely to commit to ventures that have sustainable, long term and diverse benefits, rather than short term gains which are destructive to the environment and particularly water bodies. This shift in attitudes

and practices will be supported by information campaigns for awareness creation and community sensitization. In these ways, the project aims to affect behaviour and change the status quo.

Comment: To what extent is deforestation caused by small-scale miners as opposed to larger operators? What is the mechanism through which the project would discourage such mining?

Response

As mentioned earlier, based on the GFIP, mining in general contributes about 5% of the drivers of deforestation in the country as a whole, but the proportion of destruction is greater in the Western and Eastern Regions. It is noted that the proposal is a concept note and further studies will be conducted into the dynamics of the phenomenon of illegal mining at the project development phase. Notwithstanding this, it is clear based on field reports from Agencies under the Ministry that the large scale mining activities are fairly regulated and comply with most of the provisions in our mining law. The problem lies with the illegal, unregulated small-scale mining activities. The proposed sites for this reclamation exercise are illegally mined areas both in forest reserves and off reserve areas. With cooperation from various institutions and strong communication packages, we are confident that the interventions will yield positive results.

As above, note that this project will be one component of a larger set of efforts by the Government. By engaging communities in devising and implementing solutions in visibly degraded sites, the project will demonstrate an alternative path to local and district level stakeholders and provide evidence to support further replication and scale up. By empowering communities and increasing the field presence of Government agencies, the project will build constituencies and send positive signals to reduce/prevent illegal mining, while rehabilitating the effects of prior mining. This will be coupled with wider Government efforts to improve monitoring and enforcement.

Comment: The concept notes says that “proposed activities in illegally-mined forest landscapes will protect existing forests from further encroachment and degradation,” but it is not clear how, precisely, that would work.

Response

This refers to specific actions planned in forest reserves in the Western and Eastern Regions which are under the threat of illegal mining. Planned activities in these forest reserves will prevent further encroachment and degradation due to illegal mining because the project will increase the presence of officers from the Forestry Commission into the area and engage community members who will be actively involved in various restoration initiatives in the landscape. This presence will serve as a signal and warning to illegal miners. Furthermore, the

proposed interventions will provide communities with more secure access and use rights to these rehabilitated lands, so that the beneficiary communities will continue to see benefits over the long term (over 30 years).

On the general mining landscape, the project also plans professionally planned and executed awareness creation programs that will contribute to sensitizing the community members and illegal miners to change their behaviour beyond the lifetime of the project.

Comment: It would also be helpful to understand what stronger enforcement approaches would be piloted in these areas.

Response

The concept outlines a range of activities (page 8) by the Ministry which includes building capacity for law enforcement agencies and the judicial service. It is important to state that national systems for enforcement of laws will be used under the project to ensure sustainability beyond the project lifetime. The project will work in concert with efforts already underway to build capacity of these structures and institutions and establish a strong link to foster effective coordination. Key among the institutions are:

- Presidential Task Force on illegal Mining at the at the National and Regional Level
- Forestry Commission Rapid Response Unit Stationed at Forest Gates to Check Illegal activities
- Forestry Commission Prosecution Unit, which is also in process of establishing joint work activities with the Minerals Commission
- District Mining Committee
- Ghana Police Service

These institutions have been strengthened through action and resources at the highest political levels and exhorted to effect change in the sustainable stewardship of the nation's forests.