



**TRANSFORMING FOREST MANAGEMENT:
SIX LESSONS FOR PRACTITIONERS FROM
AN INDEPENDENT EVALUATION OF THE
CIF'S FOREST INVESTMENT PROGRAM**



Are you implementing a sustainable forest management program or project and are curious about what has been accomplished by others in the past? In that case, dive in and gain insights from the implementation of a US\$ 770 million forestry program in 16 developing countries. An independent evaluation highlights key findings and lessons that may help you navigate some of the challenges you are encountering in your context and achieve better outcomes.

1. CONTEXT SETTING

The Forest Investment Program (FIP), launched in 2009 under the CIF, aims to transform forest policies and practices to strengthen sustainable forest management and reduce deforestation and forest degradation. An integral part of the program's core activities is the Dedicated Grant Mechanism (DGM) for Indigenous Peoples and Local Communities (IPs & LCs). This innovative financing window provides direct grant support to IPs & LCs, enabling them to implement proven and timely approaches for protecting and managing the natural environment.

An independent learning-focused [mid-term evaluation](#) of the CIF's forestry portfolio and the DGM was conducted to assess (i) what elements of the FIP and DGM worked; (ii) what elements didn't work; (iii) the individuals and groups who benefited; and (iv) the specific contexts in which these outcomes occurred. Based on summarized findings from the independent evaluation, major takeaways for practitioners are presented in this brief.



2. KEY LESSONS FOR PROJECT DESIGN AND IMPLEMENTATION

- a | FIP's design largely focused on small-scale direct drivers of deforestation, prioritizing rural development and livelihood benefits while channeling funding to directly benefit poor and underserved populations. However, to ensure that small-scale actors don't bear the burden, there was a need to integrate the interventions of large-scale actors (e.g., commercial, and industrialized agriculture) as primary drivers of deforestation.

LESSON 1: Adopt an integrated sectoral approach at the landscape level.

A holistic, systemic, and transformational approach can help deal with the indirect powerful drivers of deforestation. For larger systemic impact, it is important to ensure a clear 'line of sight' between linking local project actions (i.e., replicable models that work with small-scale agents) and the primary drivers.

- b | FIP's concessional finance effectively addressed the funding gaps in the 'missing middle' between REDD+ readiness and results-based payments. Investment planning processes and capacity-building activities were funded by the FIP, which were highly relevant for strengthening the REDD+ enabling environment and demonstrating how to put REDD+ aligned actions into practice.

LESSON 2: Understand the landscape to bridge funding gaps.

By keeping abreast of what the forestry sector was missing at the time of its conception, FIP was able to respond accordingly and fill a critical gap.

- c Through the DGM, FIP successfully piloted an innovative model to channel financing directly to forest-dependent Indigenous Peoples and Local Communities' needs and priorities.

LESSON 3: Dare to innovate.

FIP's success with the DGM highlights the importance of direct support to IPs & LCs to achieve project goals. Leveraging existing community governance structures fosters ownership and helps achieve project goals.

- d The DGM changed the way beneficiaries are perceived in development delivery, truly empowering IPs & LCs to manage their own development pathway from planning, reporting, and creating innovative ways of sustaining the project activities. As a result of the DGM, there was enhanced capacity of IPs & LCs to govern and implement projects using climate finance.

LESSON 4: Collaborate effectively with critical local stakeholders for better outcomes.

Features of the DGM, such as inclusive partnerships and innovation, can lead to better outcomes as demonstrated by the CIF's FIP.



e | The CIF's programmatic approach encompasses the development and implementation of a country-led investment plan, supported by MDB collaboration, informed by multi-stakeholder consultation, and associated with a predictable and flexible resource envelope that sets out strategically linked investments with a transformative vision. This approach advanced forest sector dialogue in the planning phase and enabled adaptive management during the implementation phase. However, implementation could have been improved by strengthening the programmatic design at the country level, particularly by ensuring that approved projects are strongly aligned with the transformational vision outlined in the investment plan.

LESSON 5: Don't drop the ball after the plan is approved.

Don't assume that the coordination process will organically manage itself. Instead, maintain intentional coordination among implementing partners to align approved projects with the program's transformational vision (decided upon during project design), as an ongoing effort throughout the program or project's phases.

f | Private sector engagement faced challenges due to a government-led investment planning process, design flaws in the private sector set-aside mechanism, and the Multilateral Development Bank's relative inexperience and caution in the forest sector.

LESSON 6a: Open pathways for wider collaboration and engage the private sector for broader impact.

Creating avenues for participation from the private sector in the investment plan process will allow for broader collaboration within country projects, fostering a better chance of success. Consider including market access and business management enhancement in the design of sustainable forest management projects from micro- to large-scale enterprises.

LESSON 6b: Make the program attractive for sustainability and scale.

To enhance the sustainability and scaling up of activities, consider offering additional financing options, such as private sector incentives, to support the private sector in optimizing opportunities and fostering the development of a ready market.



FOREST INVESTMENT PROGRAM (FIP) COUNTRIES



FIND OUT MORE

[Forest Investment Program Design Document](#)

[Midterm Evaluation of the Forest Investment Program](#)

[Summary Brief of the Midterm Evaluation of the Forest Investment Program](#)

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