



**FIP** FOREST INVESTMENT PROGRAM

FORESTS, DEVELOPMENT, AND CLIMATE

# ACHIEVING A TRIPLE WIN

**THE FOREST INVESTMENT PROGRAM (FIP), a funding window of the CIF, provides indispensable direct investments to benefit forests, development and the climate.**

FIP grants and low-interest loans, channeled through partner multilateral development banks (MDBs), are empowering countries to address the drivers of deforestation and forest degradation both inside and outside of the forest sector to achieve the triple win of being good for forests, good for development and good for the climate.

The FIP supports developing countries' efforts to reduce deforestation and forest degradation (REDD+) and promotes sustainable forest management. This helps make forests a central component of low-carbon development. It also contributes to other benefits such as biodiversity conservation, poverty reduction and protection of the rights of indigenous peoples and local communities.



ENDORSED FIP INVESTMENTS EXPECTED TO LEAD TO:

**28M**  
**HECTARES OF FOREST LANDSCAPE  
UNDER IMPROVED MANAGEMENT**

**\$80M**  
DEDICATED GRANT  
MECHANISM FOR  
INDIGENOUS PEOPLES  
AND LOCAL COMMUNITIES  
(DGM)



ENHANCES  
COMMUNITIES'  
CAPACITY TO ENGAGE  
IN AND CONTRIBUTE  
TO THE NATIONAL  
REDD+ DIALOGUE  
AND ACTION



DESIGNED  
AND LED BY  
INDIGENOUS  
PEOPLES  
AND LOCAL  
COMMUNITIES



LARGEST GLOBAL  
REDD+ INITIATIVES  
SOLELY FOR  
THESE GROUPS



14 COUNTRIES  
PARTICIPATING



## CURBING AGRICULTURAL EXPANSION IN BRAZIL

The 200 million-hectare Cerrado biome is the second largest in Brazil. It is an economically and environmentally strategic region that plays an integral role in ensuring national food security. Due to deforestation and forest degradation only about half of the area covered by native vegetation remains.

Brazil's FIP Investment Plan supports national efforts to curb the expansion of the agricultural frontier into native forests of the Cerrado biome. This will also reduce carbon emissions without sacrificing production levels of an industry that provides jobs and income to local communities and is a major contributor to the national gross domestic product.

In 75 priority municipalities of the Cerrado, a \$32 million FIP project administered by the World Bank supports owner and occupiers of private landholdings. This will translate to wider use of best practices such as intercropping, reduced mechanization, and fallow cropping.

## MANAGING LAND USE IN GHANA

Over the last 100 years, Ghana, has lost three quarters of its forest area. Forests continue to be threatened by agricultural expansion, unsustainable wood harvesting, urban sprawl and infrastructure development, as well as mining and mineral exploitation.

In the Western Region, a shift from traditional shaded to open cultivation cocoa, has resulted in loss of forest cover and decline in below-ground carbon stocks in the agricultural landscape. Through coordinated actions by four ministries, the private sector, and local communities, Ghana's FIP Investment Plan aims at rehabilitating degraded natural forests and introducing sustainable agricultural practices, in particular cocoa production and plantation development. Over 12,000 people (50 percent women) will benefit from capacity building support, provision of seeds and equipment, and financial incentives to develop forestry, agroforestry and alternative livelihoods activities. FIP incentivizes farmers to implement climate-smart agriculture by planting more trees and using them as shade in their cocoa farms.

## EMPOWERING COMMUNITIES IN MEXICO

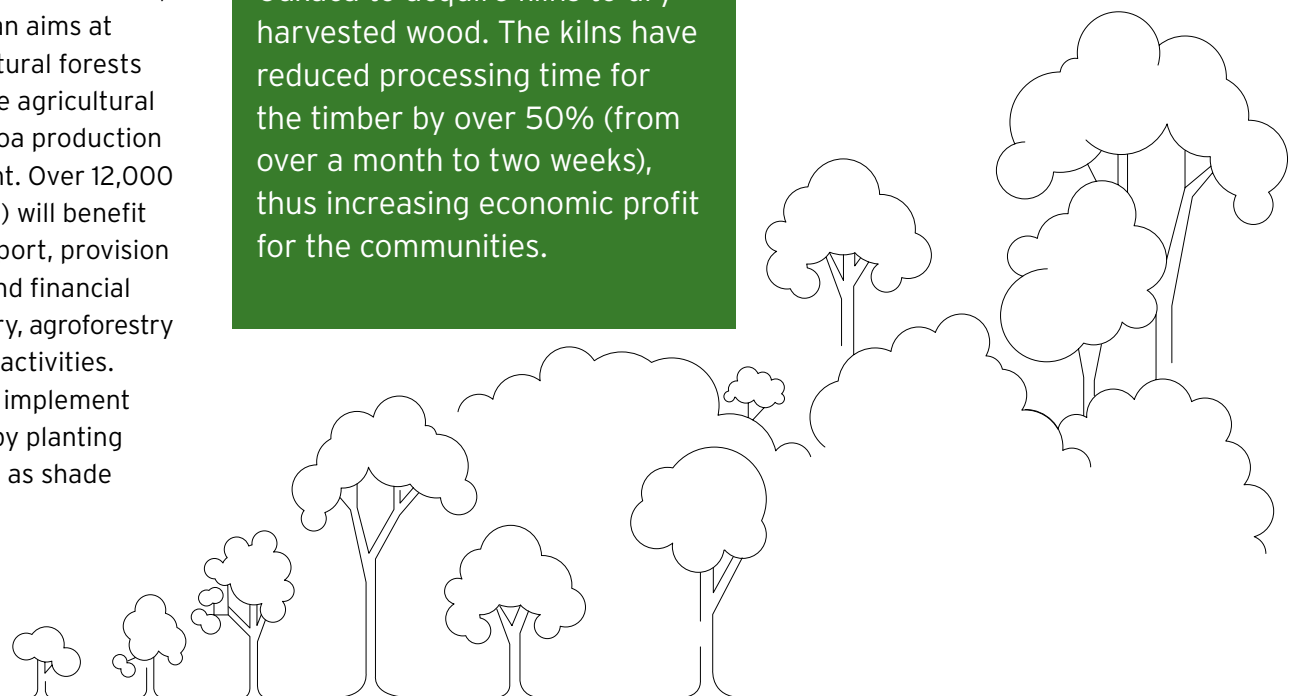
In Mexico, a collective ownership system called ejidos make up about 70 percent of Mexico's 64 million hectares of forests and provide the basis for the lives and livelihoods for tens of millions of Mexicans. Mexico's Investment Plan, channeled through the World Bank, is contributing to improving the livelihoods of about 4,000 forest communities in Mexico through sustainable management of forest goods and services. Approximately 88 percent of funding will go directly to small scale projects proposed, prepared, and implemented by communities and ejidos.

The Inter-American Development Bank's \$18 million FIP portfolio supports capacity building and the implementation of exclusive lines of financing for community forestry enterprises and ejidos. This will help meet an important challenge in the forest sector, the lack of financial services adapted to local needs, and will make Community Forestry Enterprises (CFEs) more competitive. For example, a US\$204,000 financing line was provided through a direct loan to the CFE 'Dimensionados Oro Verde' in Oaxaca to acquire kilns to dry harvested wood. The kilns have reduced processing time for the timber by over 50% (from over a month to two weeks), thus increasing economic profit for the communities.

## ENGAGING LOCAL FOREST COMMUNITIES AND PRIVATE SECTOR IN LAO PDR

In Lao People's Democratic Republic (Lao PDR) forests cover about 40 percent of the country, the highest coverage in Southeast Asia. However, the total forest area has been declining dramatically in recent years which has reduced carbon stocks and negatively affected biodiversity and forest dependent people. That is why Lao PDR's FIP Investment Plan supports ongoing national efforts to promote sustainable forest management nationally and community participation locally.

A key component is strengthening the legal and regulatory frameworks surrounding these efforts. Through FIP, the World Bank is providing advice for forest landscape management, enhanced monitoring of timber management and salvage logging as well as helping secure communal tenure for participating villages. And with help from FIP funding, the IFC is working in tandem with private sector actors to build capacity, engage effectively with local communities and increase transparency in how land is identified for commercial use. By working with a wide range of actors, FIP is helping ensure the fruits of Lao's forestry work are shared by many.



FIP PORTFOLIO

**\$603M**

ALLOCATED<sup>1</sup>

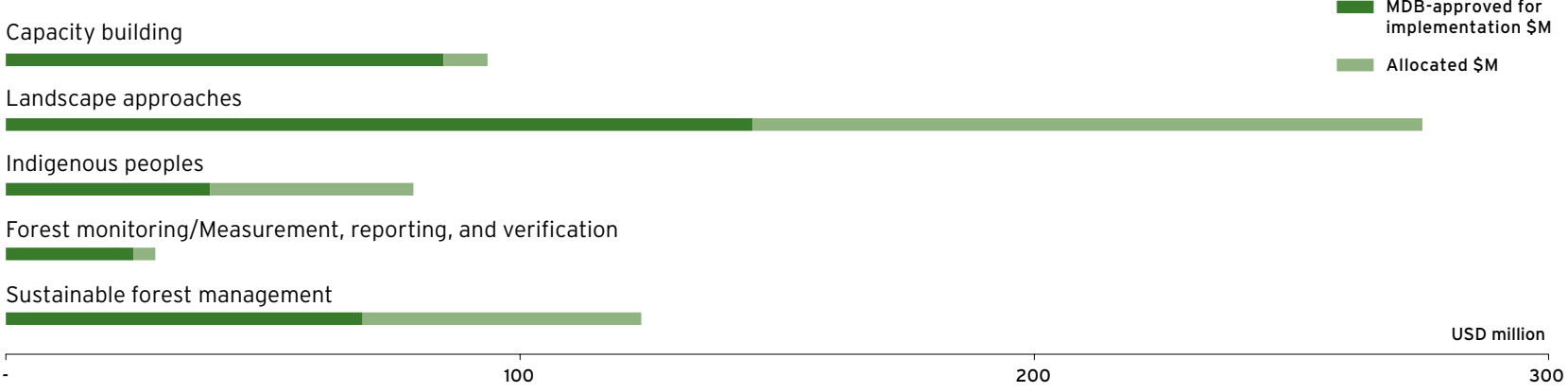


51 projects

**\$983 million**

expected co-financing

**THE FIP IS SUPPORTING MANY DIMENSIONS OF REDD+**



**DEDICATED GRANT MECHANISM FOR INDIGENOUS PEOPLES AND LOCAL COMMUNITIES**

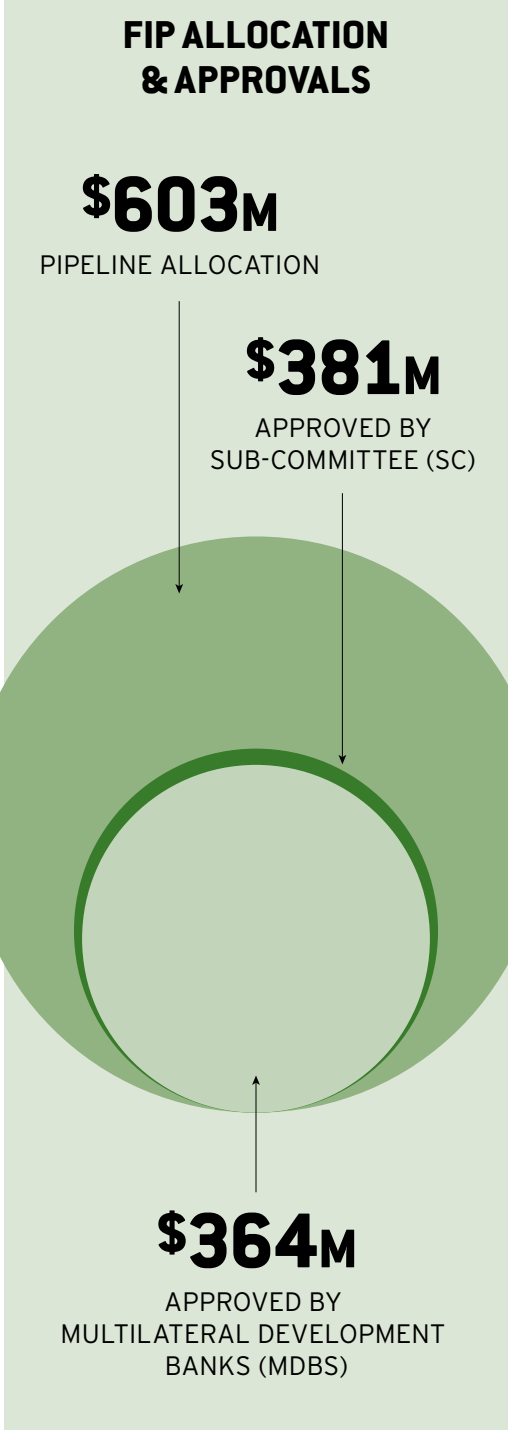
Unique to the FIP, the \$80 million Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM) is a one-of-a-kind program designed and led by representatives of indigenous peoples groups and local communities in FIP countries to enhance their communities' capacity to engage in and contribute to the national REDD+ dialogue and actions. Composed of country programs for each FIP country and a global component for knowledge exchange, capacity building, and networking, the DGM is the largest global REDD+ initiative created solely for and by indigenous peoples and local communities.



When the Burkina Faso DGM launched its first call for sub-project proposals in 2016, some 600 were received from targeted local communities in 12 provinces. The National Steering Committee selected 20 sub-projects for implementation, totaling of US\$550,000. Common themes include women's empowerment, sustainable cook stoves, and marketing of local products. To expand and diversify incomes of its members, the community association APSATA was awarded over US\$35,000 to pilot an integrated production farm model. Members breed hens, garden using organic fertilizer produced from manure, and practice agroforestry. The goal is to replicate this across 18 sites and build capacity on issues like seedling nurseries, planting and gardening techniques, land security, composting, immunization, and deworming.

"This [grant approved for Brazil] will help conserve the natural resources of the Cerrado biome and facilitate the exchange of knowledge between indigenous peoples and other communities. The networks which have been built for this will continue to work together, and similar projects can be used elsewhere in Brazil."

-Tseredzaro Ruri O Mobilização dos Povos Indígenas do Cerrado (Organization of the Indigenous Peoples of the Cerrado)

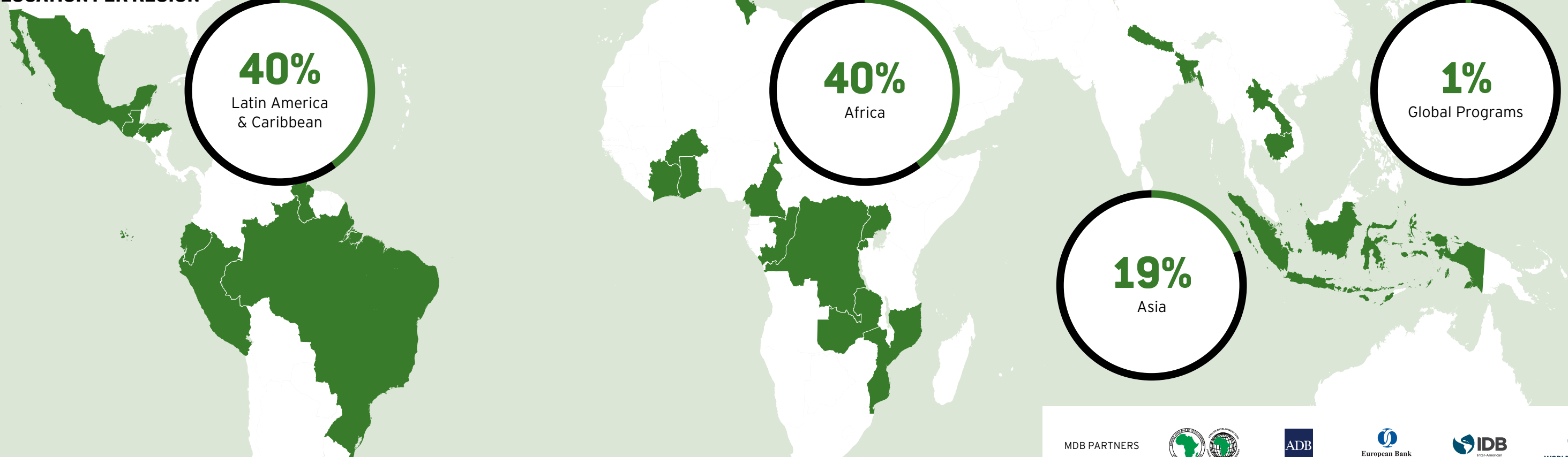


# FOREST INVESTMENT PROGRAM

**FIP ALLOCATION PER REGION**

"The FIP is transformational by supporting policies that assure farmers if they plant a tree, they own it, and in 20-30 years' time, they can harvest it. This will increase the value of their cocoa farms."

-Musah Abu Juam  
FIP Project Coordinator  
Ministry of Lands and Natural Resources, Ghana



<sup>1</sup> All portfolio information updated as of December 2016 (as presented in the June 2017 SAR) <sup>2</sup> Data FIP Operations and Results Report December 2016



[www.facebook.com/CIFACTION](http://www.facebook.com/CIFACTION)



[@CIF\\_ACTION](https://twitter.com/CIF_ACTION)



[www.youtube.com/user/CIFACTION](http://www.youtube.com/user/CIFACTION)



[www.flickr.com/photos/CIFACTION](http://www.flickr.com/photos/CIFACTION)



[www.climateinvestmentfunds.org](http://www.climateinvestmentfunds.org)



**Empowering a Greener Future**

