

## **FOLUR : List of Child Projects**

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Burundi

**GEF-7 CHILD PROJECT CONCEPT**

**CHILD PROJECT TYPE: FULL-SIZED CHILD PROJECT**

**PROGRAM: IP FOLUR**

<b>Child Project Title:</b>	Burundi Coffee Landscape Restoration and Resilience Project
<b>Country:</b>	Republic of Burundi
<b>Lead Agency</b>	World Bank
<b>GEF Agency(ies):</b>	World Bank
<b>Total project cost (GEF Grant):</b>	\$6,000,000
<b>Total Cofinancing:</b>	\$46,000,000

**Country Context**

Burundi's geographic and demographic characteristics, exacerbated by climate risks, have subjected the rural lands to immense pressure. Much of the country's terrain is hilly and mountainous, with natural forests once covering 30–50 percent of its territory. However, high population density (approximately 470 per square km) and rapid growth (3.3 percent per year over the past two decades) have put substantial pressure on forests and agricultural lands: forests have been cleared for agricultural production, accounting now for only 6.6 percent of the country's territory.

Coffee production and exports in Burundi account for 80 percent of the country's total exports, making the country the 13th largest Arabica producer globally. Coffee production covers 70,000 ha nationally with very good agronomic conditions for Arabica cultivation. Coffee is identified by Burundi's National Agricultural Investment Plan (NAIP) as a top priority sector for investments with a Coffee Sector Development Strategy approved in 2015. It plays a vital role in the country for job creation, food security and poverty reduction, and is earmarked as a priority sector for investments in the NAIP. However, coffee cultivation is also the lead cause of deforestation in the country. Steep hillsides have increasingly been brought under cultivation without erosion control, and with significant land fragmentation into small plots (about 0.5 ha per household on average), intensive farming practices have increasingly become unsustainable in terms of preserving soil fertility and integrity. This is affecting top soils and cultivable land, thereby increasing the pressure to convert and utilize remaining forests, including forests within protected areas.

Coffee has historically been promoted as unshaded monocrop; however, more sustainable techniques such as multicropping (for example, with banana) and shade-grown systems (cultivation between trees) are gaining interest by the private sector, in line with the government's strategy to promote ecological coffee production and strengthen the country's position on specialty coffee markets.

The sector has opened to private investors for transformation and export, and has seen the emergence of producer organizations, private sector-led governance structures, as well as an expansion of business networks. Indeed, since 1986, the coffee industry has been one of the priority sectors targeted for deregulation and privatization as part of the structural adjustment program. Due to the civil war and subsequent recovery challenges, this process, including privatization of state entities and several washing stations, experienced delays, but subsequently led to positive developments, including: (i) the establishment of the Coffee Sector Regulatory Authority (ARFIC), which *inter alia* promotes ecological coffee production and certification, and the multi-stakeholder value-chain association *Intercafé* (see <https://afca.coffee/portfolio-item/intercafe-burundi/>); (ii) an effective deregulation of de-pulping, milling and export activities; and (iii) the construction of new washing stations and milling units by private investors and the washing station management company SOGESTAL. While it is too early to assess the entire benefit from the coffee privatization process and market reforms, there is evidence that the overall impact on producer prices has been positive, albeit inequities in price transmission remain.

The national coffee producers' confederation CNAC is structured from the bottom-up by the associations at the hills level, unions of associations, cooperatives, federations and the CNAC at national level. Its main functions are to be the voice for the coffee growers in matters that affect them and to offer extension services to their members in both growing and processing coffee. CNAC is composed of over 3,200 associations of coffee growers representing about 109,000 individual members.

The Institute of Agricultural Sciences of Burundi has been engaged in research and development and dissemination of information on sustainable coffee cultivation techniques, sustainable landscape management techniques, and other production systems.

Landscape restoration is a key pillar in Burundi's 2018-2027 National Development Plan and its strategies for forest conservation, sustainable land management and emission reduction. It is also reflected in the territorial land use plans of project-targeted provinces. At the global level, Burundi has ratified the three Rio conventions and has in place an NBSAP and a NAPA which emphasize the importance of forests and adaptation of farming practices, and highlight the impact of soil erosion. Burundi also has in place a 2012 National Climate Change Policy and a National Strategy and Action Plan on Climate Change. Its Nationally Determined Contribution (NDC) under the UNFCCC is a reduction in GHG emissions by 23 percent and 12,000 ha/yr reforested. It is a participant in the UNCCD LDN Target Setting process and under the Bonn Challenge it has a reforestation commitment of 2 million ha.

## **Project Overview and Approach**

***Provide a brief description of the geographical target(s), including details of systemic challenges, and the specific environmental threats and associated drivers that must be addressed***

**The geographical target of the project** is the Kibira National Park and surrounding coffee landscapes in the municipalities of Matongo (Kayanza Province) and Musigati (Bubanza Province). These are mainly degraded coffee production areas formed on five hills with a total area of 6,120 ha. These landscapes are crucial for sediment control in the Victoria and Tanganyika Lakes and are an important food source for a population of around 64,000.

**The consequences of deforestation and land degradation have been costly to the population, the economy and the environment.** Indeed, the population depends significantly on the land resource: not only is it the source of food, income, and energy for the vast majority, it is also particularly vulnerable to devastating events. Deforestation and intensive agriculture on hillsides without proper erosion control, and the illicit exploitation of protected areas due to the reduced availability of wood resources outside them have disturbed soil integrity and compromised the water retention function of the soil upstream.

Thus, landslides and floods are frequent, causing substantial damage to the infrastructure and human lives downstream. Compounding the effects of soil erosion, intensive agriculture without adequate use of fertilizer has also affected crop yields. Thus, production has stagnated over the last two decades and is lagging below population growth, hence threatening rural households' food and nutrition security and livelihoods. Soil erosion also has led to the shrinking of water bodies, such as Lake Tanganyika and the northern lakes, and siltation and drying up of various rivers, including those feeding hydroelectric dams. Deforestation and land degradation also have caused the loss of biodiversity of national and global importance. The extinction of animal and plant species has notably been observed in places such as Kibira National Park and other protected areas and reserves due to changes in habitat as a result of the unsustainable exploitation of natural resources.

**Burundi has a history of extreme climate-related events.** It is the fourth most vulnerable country and the 20th least ready country when it comes to combating climate change effects and coping with natural disasters such as droughts, wildfires, floods, and landslides. Historical data show that Burundi has experienced alternating cycles of excess and deficit rainfall nearly every decade over the last six decades, as well as overall increased mean temperature, with the dry season getting longer. Past extreme weather events, including the severe floods in 2006 and 2007 and severe droughts in 1999–2000 and in 2005, affected over 2 million Burundians and accounted for losses exceeding 5 percent of GDP. With climate change, the frequency and intensity of severe meteorological and hydrological events are likely to continue escalating, amplifying the risks of further soil erosion and crop yield reduction.

Efforts toward sustainable food systems, deforestation-free value chains and landscape restoration will address Burundi's multifaceted challenges of rural poverty, nutrition, food security and local land use. Deforested and degraded land must be actively rehabilitated to restore hydrological functions of the soil



systems. Measures to prevent future upstream soil erosion and downstream catastrophes also need to be introduced. To increase the efficiency of its agrarian economy, climate-smart planning approaches need to be introduced, and there should be wider adoption of improved agricultural practices. Finally, measures to prevent further deforestation in natural habitats adjacent to coffee landscapes must also be taken.

***Describe the existing or planned baseline investments, including current institutional framework and processes for stakeholder engagement and gender integration***

**The project will be fully blended with the World Bank-financed Burundi Landscape Restoration Project (LRRP, 2018-2023)<sup>1</sup>.** LRRP implements a community-led landscape approach to sustainably restore and manage land and water resources for multiple purposes and functions in 22 hills across two provinces: Bujumbura Rural and Muyinga, which don't host coffee landscapes. The project also aims to restore and improve sustainable land management practices in and around three protected areas: Bururi, Ruvubu and Kibira, and promote institutional development and capacity building for landscape restoration and resilience at the national level, including watershed planning and policies. The proposed project will extend the geographic coverage of the LRRP to five highly degraded coffee cultivation landscapes outside the Kibira National Park and degraded forest landscape within the Park. Another ongoing operation with which the project will collaborate is the World Bank-financed Coffee Sector Competitiveness Project (CSCSP, 2016-2022), which supports coffee value chain investments at scale. It does so by strengthening institutions and value chain governance, enhancing coffee growers' productive capacity, and improving coffee quality and market access. The proposed project will integrate sustainable food systems, deforestation-free value chains and restoration considerations into the CSCSP, with an emphasis on agroforestry (shade coffee) and market based eco-certification. Other baseline investments of relevance with which collaboration will be discussed during preparation are the ongoing World Bank-financed Agro-Pastoral Productivity and Markets Development Project, which promotes increased productivity and commercialization of rice, coffee, milk, and banana; the ongoing FAO Sustainable Food Production project, which aims to intensify agricultural production in a sustainable manner with the goal of reducing food insecurity, malnutrition and poverty in Ngozi and Mwaro provinces; and the USAID Burundi Coffee Alliance Project, which support supports public-private partnerships with coffee producing farmers.

The project will be implemented by the Ministry of Environment, Agriculture and Livestock with strong engagement of the private sector, the beneficiary communities in the targeted provinces, NGOs and the academia.

The project will adopt the gender strategy and mechanisms that will be specified through a dedicated study at the beginning of LRRP implementation. A gender gap analysis was carried out during LRRP preparation. Major gaps were identified related to: access of women to paid jobs; access to land rights; and access to extension services. The project will address these three gaps by facilitating women access community labor-intensive activities financed by the project; supporting women's land rights by facilitating land certification for women and joint certification of husband and wife; facilitating women's participation in formal and informal decision-making structures, platform, and governance processes related to ecosystem-based adaptation that will allow their voices to be heard and obtain equitable access to project benefits; and designing special extension services activities for women, including women specific FFS. The LRRP Result Framework is keeping track of these measure to address gender gaps with

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<sup>1</sup> See <http://projects.worldbank.org/P160613?lang=en> and related PAD at <http://documents.worldbank.org/curated/en/946311523671259769/pdf/BURUNDI-PADrev-03232018.pdf>

three intermediate indicators specific for women related to labor intensive works; technology adaption; and land certificate issues. The Project Implementation Unit will include a full time Gender and Social Inclusion Specialist.

The project project will adopt LRRP's approach in terms of ensuring the social inclusion of different socioeconomic communities within the landscape. It will ensure that income generation opportunities for the population under each land type are compatible and maximized. Participation of youth, women, Batwa, disabled people, and aged people in the community labor-related activities and the FFSs will be encouraged and monitored. Land tenure and land transfer practices vary among communities, and the land certification component will pilot many approaches to increase social and gender equity in land tenure in the project areas, based on a study that will soon be undertaken by FRRP. Their participation in project activities, including in those that have traditionally attracted more men, such as participation in the FFSs, forest conservation patrols, and local associations, will be encouraged and monitored under this project.

***Describe how the integrated approach proposed for the child project responds to and reflects the Program's Theory of Change, and as such is an appropriate and suitable option for tackling the systemic challenges, and to achieve the desired transformation with multiple global environmental benefits***

**This project is a child project under the FOLUR IP Program and as such it is fully aligned with the Program's Theory of Change.** Through interventions in coffee landscapes, the project is expected to contribute to the Program's long-term outcome of 'Sustainable, Integrated Landscapes & Efficient Food Value/Supply Chains at Scale' by (a) promoting sustainable food systems; (b) reducing negative externalities in the coffee value chain; (c) promoting deforestation-free commodity supply chains; and (d) promoting landscape-scale restoration for production & ecosystem services. The project's outcomes and outputs are in sync with those of the Program, and its interventions are aligned with the Program's priorities. These interventions are expected to tackle the described challenges and contribute to the multiple GEBs identified by the Program, including biodiversity conservation, sequestration of GHG and avoidance of emissions, and avoided degradation of landscapes and restoration of the same.

***Describe the project's incremental reasoning for GEF financing under the program, including the results framework and components.***

**The baseline scenario** includes the abovementioned ongoing projects, and particularly the LRRP and CSCSP projects. While key to the sustainable development of the country as a whole and the coffee subsector in specific, the LRRP does not include in its investment area any coffee landscapes, in particular those around the Kibira National Park, where land degradation is among the most severe in the country; and the CSCSP's success may result in further intensification and expansion of the subsector with only anecdotal impact on sustainable coffee markets. The baseline scenario, therefore, presents increased deforestation and land degradation around and within the Kibira National Park and surrounding coffee landscapes, loss of biodiversity and loss of hydrological and climate regulation functions.

**The alternative scenario** presents, on the one hand, a geographic expansion of the LRRP intervention to five highly degraded coffee cultivation landscapes outside the Kibira National Park and degraded forest landscape within the Park, and, on the other hand, integration of sustainable food systems, deforestation-free value chains and restoration considerations into World Bank interventions in the coffee value chain (i.e. beyond the landscapes targeted by the projet). The alternative scenario will introduce three key

innovations, namely addressing land restoration at a landscape scale in coffee landscapes following a systematic approach, conducting land certification in a systematic level to address land-based disputes and secure investments, and community led process in planning and implementation of both landscape improvements and land certification. Project-financed activities will be divided into the following four components.

**Component 1: Development of integrated landscape management (ILM) systems** (Aligned with the LRRP component: Institutional Development and Capacity Building for Landscape Restoration and Resilience). The project will promote participatory planning for improved land use and allocation across the targeted landscapes, including the coffee producing landscapes, adjacent Kibira National Park areas and riparian areas. This will be done by financing improvements to the existing regulations and strategies for ILM, conducting integrated territorial planning and management across the targeted landscapes (using, for example, ROAM and watershed level planning), developing and deploying land and forest observation and M&E tools such as MRV, and evaluating and promoting practices for sustainable landscape management and the value-chain (e.g., carbon and sedimentation footprints), with emphasis on shade coffee.

**Component 2: Promotion of sustainable food production practices and responsible commodity value chains** (Aligned with the LRRP component: Sustainable Landscape Management Practices). The project will support communities in restoring the degraded coffee landscapes and intensifying SLM practices in the targeted hills. This will be done through the systematic mobilization of the local communities at the scale of each hill/subhill, from participatory planning to all subsequent implementation activities, including for land certification. The project will entail landscape restoration, erosion control, and improved practices of crop production. The approach will entail systematic, integrated restoration and management of the hills (including wooded areas, gullies and river springs/banks). Land certification will be offered prior to restoration works based on approaches that have proven effective in Burundi. The certification will secure land users' long-term investment and address any land disputes. On-the-ground restoration will be carried out by developing anti-erosive ditches and terraces, bioengineering, a/re-forestation and other techniques with the direct engagement of communities, land users and the local governments. Linking up with CSCSP, investments will also be targeted at disseminating, through farmer fields schools (FFS) and the FAO promoted national technical exchange platform on SLM, knowledge on deforestation-free coffee cultivation as well as production and SLM practices with an emphasis on shade coffee, agro-forestry and relevant market requirements for sustainable coffee and eco-certification. This will also include seedling and input supply that secure sustainable food production systems, as well as private sector-led mechanisms for sustainable value chains. The project will promote the participation of private sector partners from the planning stage, facilitating producer-business exchanges, input-output linkages, and the mobilization of corresponding innovative financing along the value chain.

**Component 3: Conservation and restoration of natural habitats** (Aligned with the LRRP component: Improved Management of Protected Areas and Reserves). The project will promote activities which reduce conversion and degradation of forests due to encroachment within the Kibira National Park areas adjacent to the coffee landscape, and promote improved land management practices in the riparian landscapes. This will be done, first, by increasing riparian communities', including forest dependent Batwa communities' role in decision making regarding the natural habitats and engaging them in campaigns and dialogues that promote understanding of biodiversity conservation, forest conservation and SLM in collaborations with local conservation groups. Also, to reduce the destructive use of natural resources, the project will promote income-generating activities, alternative livelihoods and sustainable agricultural production (e.g., agroforestry), including by linking communities with relevant business entities.

**Component 4: Project Management, Coordination and Monitoring:** Project coordination will be integrated with that of the LRRP - its PCU includes decentralized teams in each province, and a national and provincial multi-sector, multi-stakeholder steering committee under the auspices of the Ministry of Environment, Agriculture and Livestock. An additional decentralized team will be set up in the project area to coordinate project activities and conduct local level M&E and reporting. The M&E plan will build on the LRRP M&E system, which includes household surveys to assess outcomes at landscape scale (primary and agriculture productivity), river sedimentation monitoring, etc. It will also include specific analysis of tree cover and C trends in the targeted Kibira landscapes, as well as local and global benefits of Burundi's sustainable coffee value-chain in the targeted landscapes. Finally, this component will finance participation of sector representatives in FOLUR events and fora and other cross learning mechanisms.

**Incremental reasoning.** The US\$6.36 million project will add a global environment dimension to a baseline of US\$45 million of World Bank-financed interventions. It will not only significantly reduce deforestation in the protected area and adjacent landscapes but also improve tree cover in productive landscapes, promote landscape restoration and sustainable management of the highly degraded five hills, and help protect the Kibira National Park against the current intrusions and degradations. A total of 12,000 ha of degraded landscapes will be under improved management, including 6,120 ha of coffee production landscapes and 2,500 ha of protected area restored through encroachment control. GHG emissions will be mitigated for an estimated total of 1,044,000 MT of CO<sub>2</sub> over a 20-year period. Additionally, 64,300 people, 51 percent of which female, are expected to directly benefit from the blending of this project in the LRRP, bringing the LRRP direct beneficiaries' target to 679,000 people. Importantly, the project will set a path for transformation by connecting to the ongoing LRRP and taking action at scale, by supporting sustainable coffee production practices for broader uptake by the CSCSP, and by promoting ecocertification as an incentive for having in place sustainable coffee production systems.

#### **Engagement with the Global / Regional Framework**

The project is one of several child projects under the FOLUR Program, and its results and lessons learned will be disseminated to the wider FOLUR community through its global platform. It will also benefit from the platform's technical assistance program which will help it engage with private sector financing institutions, policy and advocacy support activities, including connecting to sustainable sourcing buyers and impact investors, and strategic knowledge management and communication tools. Component 4 will allocate resources to allow Burundi to participate in international platforms and fora of child projects engaged in coffee and other commodity landscapes organized by the global program, and other existing sustainable coffee platforms involving the private sector, to help bring sustainable coffee issues beyond the borders of Burundi and promote sustainable coffee markets. The LRRP and this project are also key contributors to Burundi's commitment toward the African Forest Landscape Restoration Initiative AFR100, the Bonn Challenge, the Land Degradation Neutrality framework, the African Union Agenda 2063, the Sustainable Development Goals, and other targets.

China

**GEF-7 CHILD PROJECT CONCEPT**

**CHILD PROJECT TYPE: Full-sized Child Project**

**PROGRAM: IP FOLU**

<b>Child Project Title:</b>	Innovative transformation of China's food production systems and agro-ecological landscapes towards sustainability
<b>Country:</b>	China
<b>Lead Agency</b>	FAO
<b>GEF Agency(ies):</b>	FAO WB
<b>Executing Partner(s):</b>	- Ministry of Agriculture and Rural Affairs (MARA) - Hubei Province Department of Agriculture and Rural Affairs
<b>Total project cost (GEF Grant):</b>	\$13,461,468
<b>Total Cofinancing:</b>	\$155,000,000

**PROJECT DESCRIPTION**

**1. Country Context** (*maximum 500 words*)

Describe the country's relevant environmental challenges and strategic positioning relative to the systems transformation proposed for the program, including relevant existing policies, commitments, and investment frameworks. How are these aligned with the proposed approach to foster impactful outcomes with global environmental benefits?

China is a major producing country of staple crops such as wheat, rice and corn, and livestock. The rapid development of China's modern agriculture, especially the development of extensive agriculture has led to a number of environmental challenges. Firstly, the high-yield-oriented intensive agricultural production results in high resource consumption, environmental degradation, GHG emissions, serious land degradation, and poor ecological service functions. Secondly, high-intensity fertilizer and pesticide inputs, single planting, and industrialized farmland construction result in the loss of farmland natural habitat, a decline in farmland biodiversity, and the weakening of agricultural system stability and buffer capacity. Thirdly, the increasing climate change impact has led to an increase in the vulnerability of agricultural production systems. In addition, the carbon sequestration capacity of agricultural production systems, and its ability to adapt to climate change, are low. Agricultural production is unstable. Fourthly, there are insufficient pre- and post-production linkages of agricultural production, leading to suboptimal value chains.

China has an ambitious vision for an Ecological Civilization and the transformation of its food and land use system. The country has made it a top priority to shift towards a sustainable food production system, aiming to meet the challenges of feeding its increasingly affluent population (20% of the world) with only 5% of the world's freshwater and 8% of global arable land. China's 13<sup>th</sup> Five-Year Plan (2016-2020) and its No. 1 Central Document 2018 include clear commitments to sustainable agricultural development to

enhance productivity while preserving important ecosystem functions. The National Plan for Sustainable Development of Agriculture (2015-2030) includes commitments to treat or use 90% of animal waste, to use all crop straw, to increase nitrogen fertilizer efficiency by 40%, and to equip 75% of all irrigated farmland with water saving technologies. China is also increasingly playing a global leadership role on these issues. In its NDC, China committed “to promote low-carbon development in agriculture.” In 2018, the Ministry of Agriculture and Rural Affairs issued the “Implementation Plan for Science and Technology Supporting Actions for Rural Revitalization”, focusing on solving the key factors of cost-effectiveness, quality and safety, and environmental protection in accordance with the concept of coordinated development of production, ecology and life.

China’s participation in the IP will serve as a powerful catalyst for transformation of the global food and land management systems. The project will provide a model for other regions in China, and countries throughout the world on how to pursue a more sustainable food system. As the world’s largest producer of rice and wheat and second largest producer of maize, China is critical to the global agenda. China is the world’s biggest contributor of GHGs directly emitted from agriculture, accounting for 13% of total global agricultural emissions. How China manages its land and supply chains has a global impact, given its share of the global market, and the extent to which other countries look to China as an example.

With growing meat and dairy consumption, water use and GHG emissions from agriculture and livestock are expected to further increase. It is, thus, important to engage on a sustainable pathway now. Moreover, food safety has become an issue of public concern in China in recent years. National and provincial government and private sector are set out to invest in agricultural sustainability, food safety, and climate change mitigation and adaption, to help the country meet its ambitious targets, and meet the unmet demand for “cleaner and greener” quality food. However, additional capacity is needed for cross-sectoral, integrated landscape-level planning, innovative technologies, financing and market mechanisms to support this shift towards more sustainable food value chains.

The project will tackle head-on the significant negative externalities in China’s food systems, addressing soil and water pollution, high GHG emissions, and fragmented, unsustainable land use in agriculture at scale by pursuing sustainable production approaches and value chains for globally important food products, including rice, wheat, corn and livestock.

## **2. Project Overview and Approach** (*maximum 1250 words*)

1. Provide a brief description of the geographical target(s), including details of systemic challenges, and the specific environmental threats and associated drivers that must be addressed;

The project will be implemented in selected landscapes within five provinces, as well as at the national level. The target provinces include (see maps in Annex A):

- Shandong, Jiangsu, Jiangxi and Guizhou Provinces for wheat, corn and rice (500,000 ha of farmland and 100,000 ha of surrounding ecosystems), 16 counties across the four provinces – executed by the Ministry of Agriculture and Rural Affairs (MARA).
- Hubei Province for rice, livestock, and agroforestry (250,000 ha of farmland and 100,000 ha of surrounding and upstream ecosystems), 12 counties – executed by Hubei Province Department of Agriculture and Rural Affairs.

Shandong Province is located in the downstream of the Yellow River, which is an important commodity grain base in the Huanghuaihai commercial food region of China. The province is a major production area for wheat and corn, and is a typical dryland area. It has important river and lake systems, but also faces

severe water scarcity. Jiangsu Province is a typical region with two harvests each year for rice and wheat in China. Its main farming mode is paddy-upland rotation. The region has rich water resources and traditional farming and breeding experience. Jiangxi Province is an important water source in the Yangtze River and Zhujiang River Basins. Most of the province is located in the subtropical region, and the double-season rice cultivation is the main model. Guizhou Province is a typical mountainous province of China rich in biodiversity, and it is also a region of ethnic cultural diversity. The biodiversity and ecosystem service function is closely integrated with the agriculture, forestry and ecological industries. Hubei Province is located in the central part of China. It is famous for being the “province of a thousand lakes”. Hubei is a key area for agricultural non-point source pollution control in the Yangtze River Economic Belt. Its characteristic ecological animal husbandry industry is developing rapidly. The province’s paddy field-based eco-industrial ecosystem model is regionally representative. The target provinces’ wetlands provide internationally important biodiversity habitat to migratory birds. In addition, Jiangxi, Guizhou and Hubei are home to the largest primary forests remaining in Central China and provide habitat for many rare animal species.

As major staple crop and livestock producing areas, the five provinces have long been pursuing high agricultural productivity at the expense of biodiversity, the farmland environment and quality. Production materials and methods are unsustainable with high inputs and high output. Intensive agriculture and the overuse of chemical inputs have led to a decline in soil fertility, degradation of productive landscapes, and contamination of soil and water, the depletion of groundwater and falling water tables, loss of biodiversity and habitats, and decrease in agrobiodiversity. Agriculture, and in particular livestock production, is a major source of pollution of rivers and lakes, and GHG emissions. Representing different agro-ecological regions, the five provinces face similar threats and drivers and are representative of the main challenges that China needs to address in order to achieve a sustainable food production system and sustainable rural livelihoods. They are important strategic areas for the country’s rural revitalization and green agriculture development goals. A holistic approach involving integrated planning, incentive systems, implementation of innovative, sustainable production practices, restoration and conservation is required in order to address the challenges that these provinces face.

2. Describe the existing or planned baseline investments, including current institutional framework and processes for stakeholder engagement and gender integration;

National and provincial government is investing in several programmes on sustainable agricultural development. Chairman Xi Jinping proposed the ecological idea that “lucid waters and lush mountains are invaluable assets”. The CPC Central Committee and the State Council have proposed a major strategic direction of “revitalization of the countryside”. The establishment of the Ministry of Agriculture and Rural Affairs in 2018 provided institutional guarantee for the overall promotion of the comprehensive development of agriculture and rural areas and the revitalization of the countryside, and proposed the goal of sustainable development of China’s agriculture by 2030.

All five target provinces have piloted Provincial Ecological Cycle Agriculture and Integrated Utilization of Crop Residues and Green Manure programmes, which provide important foundations for scaling up sustainable practices. They have demonstrated leadership and contribution to the development and implementation of national and regional policies and strategies with regard to agricultural development. The Huanghuaihai Basin, the midstream and downstream of the Yangtze River, and the source basin of Zhujiang River upstream have important strategic significance in the construction of ecological civilization and the sustainable protection of agricultural products in China. Hubei Province is working with the World Bank to prepare a new IBRD-financed US\$100 million Safe, Sustainable, Smart (3S) Agriculture Project,

and to explore a new model for sustainable agricultural development based on climate-smart agriculture in the central Yangtze River. The diversified participation of the private sector as a central mechanism provides good conditions for project implementation. The project further builds on existing mechanisms for land use planning and integrated watershed management, providing opportunities for coordinated planning and action.

Women play an important role in agricultural production systems in China as men increasingly seek employment in urban areas. Women make a considerable contribution to household income through farm and non-farm activities. However, their contribution to household food security and income generation in rural areas is often underestimated and undervalued. The project will, therefore, place a particular emphasis on involving women in the shift towards sustainable agricultural production systems and enhance women's access to rural finance and agricultural value chains. It will also ensure the adequate participation of women in planning, capacity building and decision-making activities under the project. In addition, the project will ensure adequate engagement of key stakeholders from civil society such as NGOs, academia, private sector associations, and farmer cooperatives.<sup>2</sup>

In all five provinces, private sector entities are investing in agricultural production and have expressed strong interest in investing in sustainable production. These include, among others, local agricultural producers and agri-food enterprises involved in processing of agricultural products, fertilizer and pesticide production and distribution, agricultural research, as well as providers of agricultural services to rural areas<sup>3</sup>. These local enterprises will play a key role in scaling up sustainable production practices by providing required products and services to farmers as well as by linking them with relevant processing and distribution processes.

In addition, FAO and MARA have existing partnerships with Alibaba and JD.com to enhance access to markets and finance for smallholder farmers while promoting sustainable agricultural practices. Alibaba is developing digital tools aimed at boosting agricultural efficiency, crop yields and farmers' income using big data. Alibaba also provides technical support to farmers to collect data on farmland (e.g., residues of chemicals and fertilizer in the soil) in order to ensure the quality of agricultural products. FAO and MARA are also partnering with Guangfa Securities to develop Sustainable Development Goals (SDG) villages in Sichuan, Hunan and Hubei Provinces, piloting an innovative 'Internet + agriculture + finance' model.

Other existing and planned baseline investments include:

- The World Bank participates in key FOLUR initiatives globally, including as a founding member of the FOLU Coalition. It builds on a wealth of experience and knowledge from the implementation of climate-smart and sustainable agriculture projects globally and in China (notably, the GEF-5 "Climate Smart Staple Crop Production Project" implemented in Anhui and Henan Provinces, ending in 2020, the IBRD-financed "Integrated Modern Agriculture Development Project", implemented in selected areas of Gansu, Hunan, Jiangxi, and Liaoning provinces, Xinjiang Uygur Autonomous region, and

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<sup>2</sup> Among the important stakeholders that will be engaged in project preparation and implementation are the Ministry of Finance; Ministry of Ecology and Environment; Ministry of Natural Resources; National Development and Reform Commission (NDRC); World Resources Institute; Paulson Institute; Local NGOs, farmer cooperatives and associations; China Agricultural Association for International Exchange; All-China Women's Federation; Chinese Society of Agro-Ecological Environment Protection; Chinese Academy of Agricultural Sciences (CAAS); Central China Agricultural University (Huazhong); China Agriculture University; Chinese Academy of Sciences; Renmin University of China.

<sup>3</sup> Such as, Hubei Xinyintian Energy Development Co., Ltd; Hubei Chuxiang Agricultural Investment and Development Co., Ltd., Jiangsu Nanjing Sanmei Agriculture Co. Ltd.; Nanjing Qinfeng Crop Residue Utilization Co. Ltd., Shandong Laiyang Longtou Food Co. Ltd; Laizhoushi Zhongguan Agriculture Co. Ltd.

Chongqing municipality, ending in 2019, IBRD-financed “China Guangdong Agricultural Pollution Control” project with IBRD loan of US\$100 million and GEF grant of US\$5 million, ending 2021, and IBRD-financed “Jiangxi Farm Produce Distribution System Development” project, implemented in 8 counties/districts in Jiangxi Province, ending in 2023).<sup>4</sup> For the proposed project, in addition to USD 100 million in IBRD funding, the World Bank will explore collaboration with the China Development Bank to bring in additional financing for private sector activities that support the goals of the project.

- FAO is implementing a number of projects on sustainable agricultural development, poverty alleviation and food security in China. Over the past ten years, FAO has implemented more than 300 Farmer Field Schools in eight provinces and autonomous regions in the fields of soil health, water resource management, crop/fruit/vegetable production, post-harvest, integrated pest management, and crop residue management. FAO further supports China’s efforts to preserve Globally Important Agricultural Heritage Systems (GIAHS), and to promote South-South cooperation, a mechanism that can be used to disseminate lessons learned from this project to other countries.
- The Asian Development Bank (ADB) is currently preparing the “Yangtze River Green Ecological Corridor Comprehensive Agriculture Development Project”, which aims to strengthen rural livelihoods to modernize their agriculture production systems and minimize environmental degradation and non-point source pollution. This project will be implemented in five provinces and one municipality in the upper and middle reaches of the Yangtze River Basin, notably Yunnan, Sichuan, Guizhou, Chongqing, Hunan, and Hubei.
- National Agricultural Biodiversity Conservation: The Ministry of Agriculture invests US\$3.5 billion annually in agricultural biodiversity conservation, of which approximately US\$15 million is used for the conservation of crop genetic resources; in 2001, the Ministry of Agriculture launched an in-situ conservation project, mainly for the conservation of crop wild relatives. By the end of 2018, a total of 205 sites were established in 26 provinces for the conservation of 56 plant species.<sup>5</sup>
- Important Agricultural Heritage Systems: 15 Globally Important Agricultural Heritage Systems (GIAHS) and 62 Nationally Important Agricultural Heritage Systems (NIAHS) have been established. The GIAHS and CIAHS projects aim not only to conserve genetic diversity and traditional production systems, but also aim to promote local economic development and improve livelihoods in a sustainable manner.

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<sup>4</sup> In addition, the project will draw on experiences from a variety of World-Bank supported projects, such as the China Food Safety Improvement Project and the Henan Green Agriculture Finance Fund Project. The project will also coordinate closely with the UNDP-led GEF-6 programme “PRC-GEF Partnership Program for Sustainable Agricultural Development”, as well as the UNDP GEF-6 “Phase out of Endosulfan in China” project, focused on cotton production. Furthermore, the project will take into account lessons learned from the UN Environment GEF-5 “Expansion and Improvement of Biodiversity Conservation and Sustainable Use of Natural Resources in the Greater Shennongjia Area, Hubei Province” as well as ADB’s GEF-2 project “Efficient Utilization of Agricultural Wastes”, which was implemented in Henan, Hubei, Jiangxi, and Shanxi Provinces.

<sup>5</sup> In the 1950s, through the national survey and collection of crop germplasm resources, approximately 240,000 of local varieties were preserved, and a number of excellent local varieties were selected for large-scale planting and promotion. With the rapid development of economy, the planting area of improved varieties has increased, while the number of local varieties and its planting area have decreased sharply. In the face of declining local varieties, the Chinese government has successfully collected more than 400,000 crop genetic resources mainly through ex-situ conservation. The Chinese government has recognized the importance of in-situ conservation in the conservation of genetic resources. In addition, the Chinese government has collaborated with institutions such as UNDP, EU, GEF and GIZ to carry out agrobiodiversity conservation projects in China. In particular, MOA and UNDP have implemented the GEF-funded project, “Conservation and Sustainable Utilization of Wild Relatives of Crops” from 2006 to 2013, which was demonstrated in 8 provinces focusing on wild rice, wild soybeans and wild relatives of wheat and extended to 15 provinces covering 39 wild plant species. The project introduced advanced international concepts and technologies of in-situ conservation including establishment of market-based incentive mechanisms. Furthermore, MOA implemented another cooperation project with UNDP and GIZ titled “Sustainable Management of Agro-biodiversity in the Mountain Area of Southern China” from 2005 to 2011. This project introduced innovative strategies and methods in the model villages for agrobiodiversity in Wuzhi mountain area in Hainan province and Wuling mountain area in Hunan province to promote farming methods that are friendly to agricultural biodiversity and raise awareness on the rich agricultural biodiversity in mountain areas.

For instance, under the GIAHS project of Hani rice terraces system in Honghe of Yunnan, an FAO-MOA collaborative initiative, activities were undertaken to maintain the unique irrigation system and traditional methods of agricultural production. It was found that many local varieties, such as the red rice cultivated by Hani people, can survive at more than 1,400 meters above sea level, and are resilient to environmental change. These varieties with stable genetic characteristics were not only conserved on-farm but also delivered benefits to farmers.

3. Describe how the integrated approach proposed for the child project responds to and reflects the Program's Theory of Change, and as such is an appropriate and suitable option for tackling the systemic challenges, and to achieve the desired transformation with multiple global environmental benefits;

In line with the Program's Theory of Change, the project will apply a holistic approach involving integrated planning, incentive systems, implementation of innovative, sustainable production practices, restoration and conservation in order to achieve a more sustainable food production system in the target landscapes and beyond. Through this integrated approach, the project will address gaps and barriers related to (i) the enabling policies and planning frameworks at the national and sub-national level; (ii) capacity and mechanisms at the local level to implement and scale up innovative approaches for sustainable agricultural development; (iii) the engagement of smallholder farmers in value chains supportive of sustainable production and land management; (iv) monitoring systems to assess and monitor impacts from land use planning, biodiversity and ecosystem conservation and restoration; and (v) platforms and knowledge sharing mechanisms to support replication and scaling.

Through these interventions, the project is expected to have a large-scale transformational impact on food systems in the target landscapes (around 950,000 ha) and beyond, by targeting a transformation of the intensified agriculture sector (notably rice, wheat, corn and livestock), by supporting integrated production systems and restoration of degraded land, and value chains. This will result in reduced GHG emissions and nutrient runoff, improved biodiversity and ecosystem services. The project will also have positive impacts on rural livelihoods, in particular women.

The project has significant potential to generate GEBs across multiple focal areas (LD, BD and CC). By achieving climate-smart agriculture (CSA), better agricultural practices and land restoration, biodiversity and ecosystem services will be enhanced, soil and water pollution reduced, and land productivity improved. Through the same interventions, GHG emissions will be mitigated by enhancing soil carbon storage and reducing emissions from agriculture practices. In addition, the project will aim to catalyse GEBs beyond the target landscapes.

Protocols and a monitoring system will be developed to measure GHG emissions from agriculture, potentially as a basis for a future agricultural carbon trading market. The project will further introduce new circular economy approaches to landscape management, such as recycling of livestock waste and crop residues in agriculture.

4. Describe the project's incremental reasoning for GEF financing under the program, including the results framework and components.

The GEF financing will build on and complement ongoing investments by government and private sector at the national and landscape level. It will specifically support the incremental costs of interventions aimed at achieving a large-scale, transformational shift and GEBs. These interventions include:

- Required innovative transformative policy and agricultural ecological system planning mechanisms.

- National and provincial FOLU Coalition platforms.
- Leveraging the private sector for investments and sustainable, inclusive value chains, including through certifications.
- Capacity building, introducing technologies and innovations, including labour-saving technologies for women
- Creation and sharing of knowledge and monitoring systems.

The project will promote the integrated management of agricultural ecological systems and the extension of agricultural production value chains, implement new technologies and modes of agricultural green development, establish eco-compensation incentive mechanisms and stakeholder partnerships. Thereby, it will achieve positive impacts for biodiversity, soil and water conservation, climate change mitigation, food security, and sustainable rural livelihoods. The project will be implemented through the following four components.

- 1) Development of integrated landscape management (ILM) systems in production landscape.
- 2) Promotion of sustainable food production practices and responsible agri-food value chains.
- 3) Conservation and restoration of natural habitats in production landscapes.
- 4) Project coordination, knowledge management and M&E.

Interventions will be implemented under the direct lead of MARA and provincial and county governments, in order to ensure that they are integrated with baseline investments and that capacity is built for replication and scaling. Central and local government already work closely with private companies; these will be engaged in planning activities in order to leverage and align private investments to achieve project goals. Alibaba and other companies such as Guangfa Securities will be involved to provide solutions to farmers for access to finance required to support the transformation of production systems. Other innovative financing mechanisms that will be explored by the project include eco-compensation incentive mechanisms. Women, in particular, will play a key role in contributing to the achievement of project goals; they will, therefore, be closely involved in all aspects of project implementation.

### **3. Engagement with the Global / Regional Framework** (*maximum 500 words*)

Describe how the project will align with the global / regional framework for the program to foster knowledge sharing, learning, and synthesis of experiences. How will the proposed approach scale-up from the local and national level to maximize engagement by all relevant stakeholders and/or actors?

Knowledge sharing and learning is a key component to achieving the expected transformative impact of the project in China. National and Provincial FOLU Coalition platforms will be established, where the project will regularly convene leaders and public and private stakeholders of other key agricultural counties and provinces to exchange knowledge and lessons learned and inspire others. The private sector will be an important catalyst for scaling and technology transfer within China. In addition, it will be possible to ensure wider scale-up nationwide of the innovations to be implemented under the project by demonstrating to the provincial/national government and to other counties/provinces how to achieve more sustainable outcomes, and by ensuring that knowledge from the project are transferred into the provincial/national government's action plans, such as the next Five-Year Plan and provincial land use plans.

The value chains (for rice, wheat, corn, and livestock) included in the project span several counties and provinces, requiring and promoting close coordination between the counties, and at the provincial and national level. Innovative landscape planning approaches, productive restoration of degraded landscapes,

green agriculture and CSA practices, digital technologies and GHG monitoring systems will be shared across counties, provinces and nationwide.

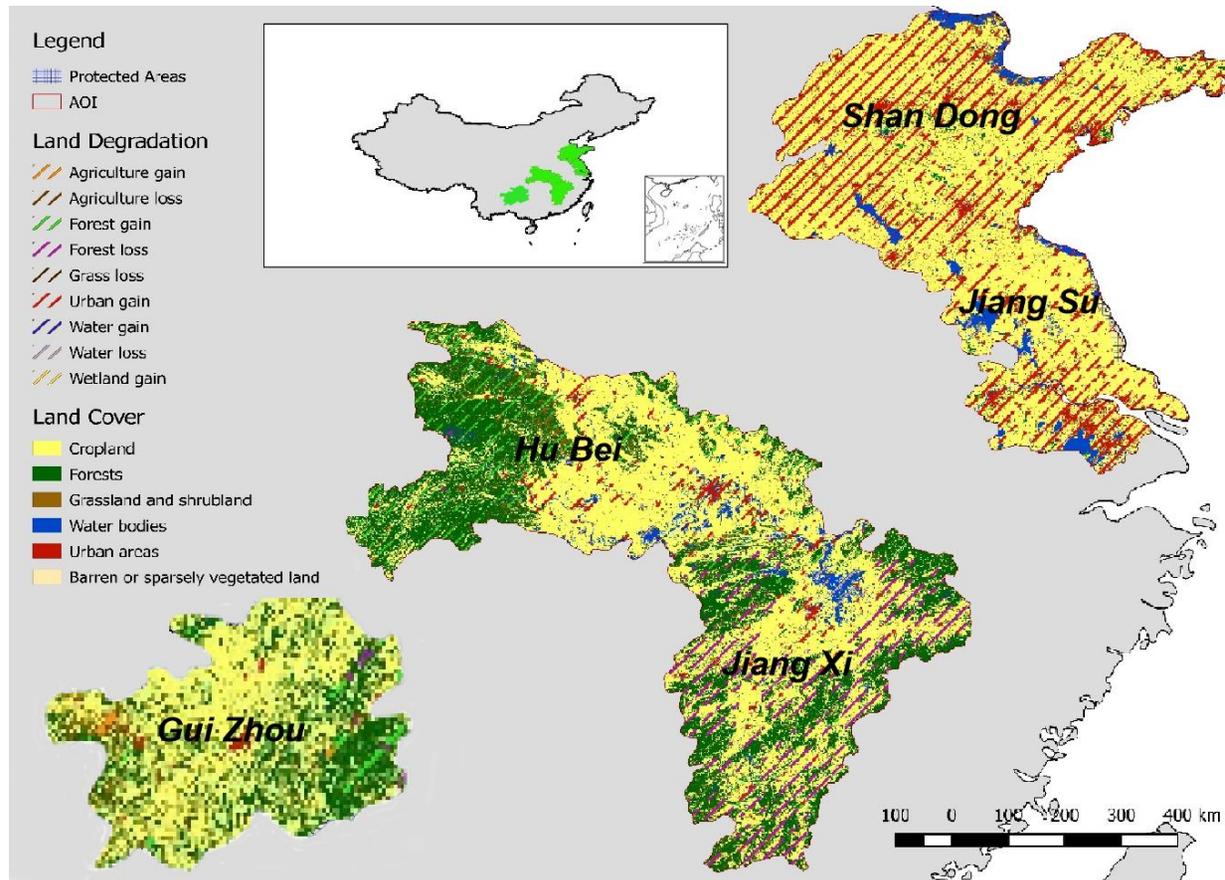
Furthermore, through the Global Child Project and existing global and regional platforms, knowledge and lessons learned will be shared at the regional and global level. China has extensive collaboration on agriculture across the globe, including on agricultural research and sustainable agriculture development<sup>6</sup>, which will be leveraged to disseminate good practices from the Impact Program. Companies such as Alibaba are set out to export solutions on sustainable agriculture, access to markets and rural finance to other countries in Asia and globally. FAO and the World Bank will also play an important role in knowledge transfer to other countries and regions through the global child project and existing platforms, working groups and engagements under the relevant conventions. In particular, the project will engage with the One Planet Network (10YFP) Sustainable Food Systems (SFS) Programme, an important global multi-stakeholder partnership recognized by SDG 12, Target 12.1. It will also explore collaboration with other child projects related to the sustainability standards developed under the Sustainable Rice Platform (SRP), a multi-stakeholder platform established to promote resource efficiency and sustainability in trade flows, production and consumption operations, and supply chains in the global rice sector.

China has itself become a major financier of overseas investments, particularly in developing countries. By seeking collaboration with the China Development Bank (CDB) on this project, CDB will gain knowledge on these approaches, which they can in turn use to increase the sustainability of their growing agriculture portfolio, which thus far has been focused on more traditional approaches to increasing production (CDB's total lending in 2017 was over USD 460 billion, several times higher than the World Bank).

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<sup>6</sup> The most recent example is the Cooperation between China and Central and Eastern European Countries, which, among others, includes cooperation on agriculture, forestry, water conservation and environmental protection.  
[https://www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/t1655224.shtml](https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1655224.shtml)

## Annex 1: Land Use in Target Landscape



1. Shandong Province (4 counties): Qihe County; Laiyang City; Qixia City, Laizhou City
2. Jiangsu Province (4 counties): Liuhe District, Nanjing City; Jiangning District, Nanjing City; Taicang District, Nanjing City; Huaiyin District, Huaian City
3. Jiangxi Province (4 counties): Yushui District, Xinyu City; Dingnan County, Ganzhou City; Yujiang County, Yingtang City; Fenyi County, Xinyu City
4. Guizhou Province (4 counties): Qiandongnan Miao and Dong Autonomous Prefecture, Congjiang County, Liping County, Tianzhu County, Rongjiang County

5. Hubei Province (12 counties/districts): Honghu City; Jingshan City; Xiaogan City; Xiaonan District, Zhongxiang City; Gong'an County; Shiyan City; Laifeng; Nanzhang; Jingmen City; Tongcheng; Yiling District, Yichang City; Hannan District, Wuhan City

Colombia

## GEF-7 CHILD PROJECT CONCEPT

**CHILD PROJECT TYPE: Full-sized Child Project**

**PROGRAM: IP FOLU**

<b>Child Project Title:</b>	Promoting Sustainable value chains in deforestation hot-spots in Northern Colombia
<b>Country:</b>	COLOMBIA
<b>Lead Agency</b>	WB
<b>GEF Agency(ies):</b>	WB (select) (select)
<b>Total project cost (GEF Grant):</b>	\$10,825,688
<b>Total Cofinancing:</b>	\$60,000,000

### PROJECT DESCRIPTION

#### Country Context (*maximum 500 words*)

Describe the country's relevant environmental challenges and strategic positioning relative to the systems transformation proposed for the program, including relevant existing policies, commitments, and investment frameworks. How are these aligned with the proposed approach to foster impactful outcomes with global environmental benefits?

Colombia has been labeled as one of the few countries with existing available land for a significant increase in agricultural production without the need for encroachment in natural forests. In fact, interests of global commodity producers to expand into Colombia have increased significantly since the signing of the peace agreement. The Government wants to build on this momentum since it needs to respond quickly to the needs for productive development in rural areas affected by the conflict. Deforestation rates have increased since 2016, and livestock continues to drive deforestation; palm oil and cacao have not yet been significant drivers, but there is a risk of them contributing to the expansion of the agricultural frontier if they are not developed sustainably. Biodiversity is under threat especially when 90% of municipalities prioritized for implementation of the peace agreement are in regions with declared conservation areas (that allow sustainable productive use) and natural forests. Because of this overlap there is concern of how to balance much-needed economic development and to reach the stabilization of these territories with environmental sustainability. Colombia's participation in the FOLUR IP will guarantee that this balance is struck in strategic postconflict areas subject to biodiversity loss, deforestation, and targeted for significant restoration. Sustainable rural development is a priority in the context of the peace process, and as a strategy to meet Colombia's NDC and deforestation reduction targets. The Government created in 2017 the Territorially Focused Development Plans (PDET) as an instrument to implement priority interventions established in the Integrated Rural Reform of the peace agreement in municipalities affected by the conflict. Additionally, the four-year National Development Plan (NDP) 2018-2022, provides the framework for national level policy to promote economically viable and deforestation free supply chains. In 2018, the Integrated Strategy for Deforestation Control and Forest Management was approved that promotes an Integrated Landscape Management (ILM) approach to reach the country's zero deforestation by 2030 goal, and the goal of restoration of 1 million of hectares by the same year. As part

of the priority agenda, the Colombian Presidency has created the Intersectoral Commission to Control Deforestation (CICOD) and the Regional Centers for the Prevention and Governance of socio-ecological conflicts in areas affected by deforestation. Colombia has also joined the Tropical Forest Alliance (TFA) and has signed Zero Deforestation Agreements for cacao and palm oil, similar agreements for beef and dairy are underway. It has an active role in the Food and Land-Use Coalition (FOLUC) that seeks to raise collective, global ambition to develop a shared vision of working sustainable food and land use systems until 2030, and has signed a Joint Declaration of Intent, with the German, Norwegian and United Kingdom governments, supporting Reducing Emissions from Deforestation and Forest Degradation (REDD+). These initiatives are means of implementation of multiple multilateral environmental agreements that the country has signed, such as those for reducing land-based GHG emissions (Paris Agreement), restoring landscapes (Bonn Challenge), and conserving biodiversity (Aichi)

#### Project Overview and Approach (*maximum 1250 words*)

1. Provide a brief description of the geographical target(s), including details of systemic challenges, and the specific environmental threats and associated drivers that must be addressed;

The target geography includes 5 departments (Norte de Santander, Bolivar, Antioquia, Córdoba, Chocó) and 54 municipalities, two National Natural Parks (Cataumbo and Paramillo), one National Forest Reserve (Río Magdalena) and a proposed new protected area (the Integrated Management District, Serranía de San Lucas). The area hosts landscapes with remaining patches of natural forests, protected areas (that protect most of these forests), areas under productive use, areas prioritized for productive and passive restoration, and the main deforestation hot-spots of the northern Andes: Chocó-Urabá, Paramillo, Serranía de San Lucas- Bajo Cauca, and Catatumbo. These areas host the most threatened biodiversity refuge in the Andean region of Colombia (Serranía de San Lucas and Paramillo), and the last relict of the northeastern tropical rainforest in South America (Catatumbo), and important centers of bird and plant endemism and species exchange routes between Central America, the Colombian Caribbean, the Andes and the rest of South America (all four areas). This geography also hosts a key part of the ecological jaguar wildlife corridor that aims at protecting the South American jaguar habitat ranging from Mexico to Argentina. During the period of 2010-2017, 201.939 ha of forests were lost in these areas, representing 20% of the country's deforestation. The land restoration potential in these areas has been estimated to be 1.63 million ha. Deforestation is driven by legal and illegal cattle raising, as well as illegal mining, illicit crop cultivation and to a limited extent to palm oil expansion. Cattle raising has constituted for decades an important economic activity throughout this geography. The objective of the Government's National Strategic Priority Beef Program "PINES Carne" is to address important value chain challenges and to increase the offer of quality products for exports in order to gain access to international markets and to significantly increase Colombian beef exports. To this end, the Government has identified two export production clusters, the Cluster Caribe and the Cluster Oriental, which include municipalities of Antioquia, Bolivar, Cordoba and Norte de Santander covered by this proposal. Palm-oil production has been concentrated in Norte de Santander, Bolivar and Antioquia, where it has caused some deforestation and encroachment on natural ecosystems, soil and water resource degradation, affecting local fisheries and therefore the food security of the communities. Cocoa production occurs in the Andean slopes of San Lucas, Paramillo and Catatumbo as a result of the Government's strategy of voluntary eradication of illicit crops. The conflict situation in these four areas has limited the possibility to promote sustainable practices, and farmers and producers in these areas lack the knowledge and the technical and financial support required to implement sustainable production systems. However, with this region being prioritized for developing 6 Territorially Focused Development Plans (PDET), this is expected to change. The ongoing peace process increases the global attention and the need for Colombia to bring investments

for productive and sustainable developments in conflicted rural areas, as well as to become a global zero-deforestation commodity supplier.

5. Describe the existing or planned baseline investments, including current institutional framework and processes for stakeholder engagement and gender integration;

Several national ongoing initiatives address environmental challenges in productive supply chains, these include the Colombia Sostenible Fund, the BioCarbon Fund, the REDD Early Movers (REM) program and the Joint Declaration of Intent. These programs focus on results based payments for reduced emissions through the implementation of Colombia's Comprehensive Strategy to Control Deforestation and Forest Management (national REDD+ Strategy). The total envelope of the support to implementation of the national REDD+ strategy is approximately USD 250mio, of which an estimated 10% could be applied to the proposed program (to be confirmed). In addition, Colombia has generated innovative approaches and methodologies for the enhancement of planning and environment-friendly practices in livestock and palm-oil production systems, and the reduction of landscape fragmentation and degradation, through the GEF Projects, "Mainstreaming Biodiversity in Palm Cropping in Colombia with an Ecosystem Approach", "Mainstreaming Biodiversity in Sustainable Cattle Ranching;" and "Implementing the Socio-Ecosystem Connectivity Approach to Conserve and Sustainable Use Biodiversity in the Caribbean Region of Colombia" as well as the TFA 2020. The proposed project will significantly build on adoption and scaling up of innovative approaches developed through these programs in the FOLUR intervention areas. In addition, the Antioquia department has generated the "The Pact for the Forests of Antioquia", a multi-stakeholder alliance that works for the conservation of the forests of the department. This alliance includes civil society, Government entities, non-governmental organizations, media, academia, private companies, international organizations and production associations. The project will also build on public investments in the project area, related to the maintenance and governance of two National Natural Parks, Paramillo and Catatumbo, and to the current declaration process of a new national protected area, Serrania de San Lucas. This process includes the Ministries of Environment, Agriculture and Mines to develop a strategy that benefits the diverse communities that occupy this territory. Furthermore, public resources and incentives related to signing of the peace agreement, and the definition of priorities for economic stimulation in six Territorially Focused Development Plans (PDET) will flow to these areas. Investments to implement these priorities are defined in the Action Plans for the Regional Transformation (PATR), by local communities, ethnic groups, rural producers and other stakeholders affected by the conflict. Priority activities identified in the PATR aim at improving people's livelihoods through, among others, the reactivation of the economy and the agricultural production that align with this FOLUR proposal. Finally, private investments have been led by a few commodity companies (such as Minerva, Oleoflores, Casa Luker) that have presence in the regions (palm oil, livestock and forestry). The project will build on the existing participatory processes under the REDD+ strategy, the PDET formulation, the protected area declaration processes, and the TFA 2020 for sustainable deforestation free supply chain, especially for component 1 activities. The project will also identify gender inequalities and gaps regarding, i) unequitable access to and control of natural resources ii) unequal opportunities in environmental decision-making and leadership iii) uneven access to socio-economic benefits and services, develop specific interventions to close these gaps, as well as indicators to measure effectiveness of these interventions.

6. Describe how the integrated approach proposed for the child project responds to and reflects the Program's Theory of Change, and as such is an appropriate and suitable option for tackling the systemic challenges, and to achieve the desired transformation with multiple global environmental benefits; and

The proposed project has been structured along the FOLUR Theory of Change. Growing global demand for palm oil, beef, and cocoa start to create impacts due to the expansion of these commodities on forests and ecosystems in Colombia. It is to be expected that investors and agri-businesses commodities will increasingly look towards Colombia for opportunities to source these commodities, especially since the signing of the peace-agreement, contributing to increased resilience and reduced deforestation in deforestation hot-spot areas most affected by the conflict. At the same time, the Colombian Government increases ambition to become an exporter to global markets for these products, while pro-actively generating programs and incentives to generate productive and licit economic activities in rural areas most affected by the conflict. The proposed FOLUR project's objective is to "securitize" these supply chains of increased, and export-oriented palm oil, beef and cocoa production in post-conflict areas, helping producers and companies to ensure these products meet sustainability and quality standards required by international markets. At the same time, these approaches will not only reduce pressures on natural ecosystems, but also support their restoration through productive reconversion of degraded areas. As such, the proposal focuses on participatory planning, generation of knowledge and information, the integration of biodiversity and ecosystem service criteria into policies and incentives, and on scaled up innovation of sustainable productive approaches and value chain partnerships, leveraging private and public investments in post-conflict areas for ILM solutions, and on collaboration at country and landscape level. As a result, it will generate the following GEB:

- Manage biodiversity in production landscapes, such as through on-farm diversification, management of riparian areas, and maintenance of forest connectivity in areas that buffer forested landscapes and protected areas
- Identification and set aside of high conservation value forest areas inside of commercially managed areas (e.g. concessions, plantations, farms, etc.) and within the broader production landscape agreed in production-conservation plans
- Sustainable land management and use of biodiversity for sustainable agriculture in productive systems, such as through pollination, biological pest control, use of native species and species diversity in agro-forestry and silvopastoral system
- Diversification of crop and livestock systems
- Restoration of degraded production landscapes

7. Describe the project's incremental reasoning for GEF financing under the program, including the results framework and components.

Without GEF financing, land degradation and deforestation will continue in the project area. Inappropriate land management practices will degrade ecosystem services and biodiversity habitat. The existing and continued land degradation will lead to landslides, siltation and sedimentation due to increased rainwater runoff from degraded uplands. Farmers and producer organizations will not have the technical skills to address these issues, and traditional productive systems (especially cattle, palm and unsustainable mining practices) will continue aggravating the problems. The public agencies lack the funding for effective extension services and the comprehensive, landscape level planning framework to address these systemic issues. The result is productivity loss, biodiversity loss and continued deforestation. The GEF financing will build on above described baseline investments to mainstream biodiversity and ecosystem friendly agricultural practices into the planning instruments and processes, and into extension services, it will support farmers, communities, producer associations and private companies in implementing sustainable agricultural practices and it will promote capacity building and knowledge exchange. The proposed interventions will reduce pressure on remaining forests and contribute to the restoration of degraded

production landscapes in Northern Colombian deforestation hot-spot areas, through the following interventions:

#### Component 1: Development of Integrated Landscape Management (ILM) Systems

The objective of this component is to develop a ILM planning at the territorial level in the intervention areas. To this end, project interventions will: i) improve and harmonize land-use planning in the intervention area, ii) strengthen and enforce Protected Area (PA) management plans and processes, and iii) define and agree on land-uses in PA buffer zones and on biodiversity friendly criteria for production landscapes within the intervention area to improve connectivity between conservation and production landscapes. Land-use planning instruments are being developed at the local, and regional level (municipal and departmental land-use plans, POTs and PODs), and in addition, six Territorially Focused Development Programs (PDET) covering 54 municipalities will be developed in the intervention area (Catatumbo, Nordeste de Antioquia and Bajo Cauca, Sur de Bolivar, Sur de Cordoba, Uraba Antioqueno, Choco), these programs define priority investments in municipalities affected by the conflict. However, the local and regional planning entities (municipalities, regional governments, and regional environmental authorities) lack the information, resources, and capacity to include environmental norms and criteria into these plans and programs. The project will undertake an analysis of land-use planning instruments in the area to identify information gaps and capacity building needs to ensure that those are appropriately reflected in these plans. Finally, the project will support the generation of production-conservation plans among stakeholders of production landscapes in the intervention areas, which implies joint definition of biodiversity and ecosystem friendly practices in livestock, palm oil, and cacao production systems, as well as definition of restoration, deforestation and connectivity targets, and definition of monitoring indicators and systems.

#### Component 2: Promotion of sustainable food production practices and responsible value chains

Based on the production-conservation plans developed under component 1, the project will work with three commodities, including cocoa, livestock and palm oil. It will work with the livestock supply chain promoting the shift to sustainable cattle ranching systems, and with beef and dairy buyers to ensure due diligence with respect to their suppliers to meet zero deforestation standards. Concerning livestock, work will focus on suppliers, producers, traders, processors, retailers connected to the two export beef production clusters to ensure that future Colombian beef exports are based on sustainable, biodiversity friendly and deforestation free supply chains, promoting sustainable cattle ranching practices. It will also work with the private companies (especially Rio Frio and Minerva) sourcing from these clusters on sustainability standards and supply chain monitoring protocols. Concerning the palm oil supply chain, fostering sustainable, biodiversity-friendly management and zoning in suitable land, and building partnerships with industry leaders in the intervention area (Oleoflores), the producer association (FEDEPALMA) and small-scale producers to scale up existing sustainable palm oil “nuclei” in the project area. Finally, the project will have a strong emphasis on promoting the uptake of cocoa as a legal, sustainable, land restoring, productive activity. The project will partner with the “Cacao, Peace and Forests Initiative”, that brings together the public sector (Ministries of Agriculture and Environment), WRI, IDH and the private sector (industry leader Casa Luker and the national producer association FEDECACAO) to promote sustainable, deforestation free-cacao production specifically in the context of post-conflict development.

Activities will also have a strong focus on the leverage of additional financing and investments, i.e. by connecting farmers to financial resources to shift to more sustainable production systems. These include credits for agricultural projects, resources managed by national producer associations, resources provided to by the State to stimulate productive development in areas affected by the conflict, such as royalty funds for post-conflict areas (Organo Colegiado de Administracion y Decision – Paz, OCADS), tax incentive

programs for companies operating and generating employment in areas most affected by the conflict (Zonas Mas Afectadas por el Conflicto Armado- ZOMAC), etc.. The project will work with the administrators of these financial mechanisms and post-conflict incentives (Ministry of Finance, the Planning Department, Presidency, FINAGRO and Agency for Territorial Renovation (ART)) to ensure that these financial mechanisms and incentives promote sustainable practices, and avoid that productive investments such as livestock, palm oil and cacao lead to commodity driven deforestation. Additionally, the project will work with private companies linked to the supply chains on innovation and greening supply chain approaches, thus leveraging private investments for sustainable production in the intervention areas.

The project will also fund interventions and capacity building to strengthen market access potential and demand side measures, such as business plan development, negotiation with market actors, organizing business to business roundtables, and consumer awareness building campaigns. It will also endeavour to strengthen agro-forestry and silvopastoral systems that work in combination with the IP focus commodities, and foster eco- and agro-tourism as an additional income stream in the intervention areas. This will also include resources and technical support to regional Governments, to provide extension services and assistance to farmers in the implementation of best practices in sustainable cattle ranching, palm oil and cacao production.

Component 3. Conservation and restoration natural habitatsThe Serrania de San Lucas, Paramillo, Catatumbo and the Choco-Uraba have undergone a transformation of natural ecosystems accelerated due to the change in land use given by the activities of expansion of cattle ranching and the establishment of illicit crops. In addition, the impact of illegal mining in San Lucas, with pollutants discharged into the soil and water sources, affecting downstream the wetland ecosystems of low-lying areas, along with the fishery resources of these areas require restoration of natural habitats. The project seeks to carry out ecological restoration interventions in areas degraded by deforestation. To provide an integral solution to the problem of land degradation, the project will consolidate spaces of dialogue between the stakeholders of the region, with who activities can be carried out to improve soil quality, reduce deforestation and generate conditions for regional environmental and social sustainability. Restoration practices will strengthen connectivity corridors between protected areas ensuring the continuity of biodiversity exchanges routes and the resilience of the ecosystems. In addition, the project will also ensure that land-use plans supported under component 1 are harmonized with existing and future PA management plans (such as the one for the PNN Catatumbo), and it will support implementation of existing management plans, as well as the development of management plans for the Integrated Management District for the Serrania de San Lucas, which will have protection areas, restoration areas and sustainable use areas.

In all four intervention areas, conservation of biodiversity will only be successful if local communities have productive alternatives for the generation of income and establish management agreements that guarantee the welfare of the population and the ecosystem services on which their well-being is based. Therefore, the participatory construction of production-conservation plans (under component 1) will be key to complement the creation and enforcement of protected areas for forests and critical ecosystems. Complementary measures are also needed to help reduce the pressure on natural areas, and the project seeks to implement ILM plans, and to promote conservation activities and sustainable use in private and community lands, which are in harmony with the socio-environmental priorities of the territory and related to the conservation objectives of the declared protected areas.

#### Component 4. Project Management and M&E

This component will finance the Project Coordination Unit (PIU) to ensure coordination, management, monitoring, evaluation and communication related to implementation of the project. Project management, including financial management and procurement, overall monitoring of project results,

production of progress reports, and safeguards compliance including the establishment of a culturally appropriate Project grievance redress mechanism will be carried out under this subcomponent.

Engagement with the Global / Regional Framework (*maximum 500 words*)

Describe how the project will align with the global / regional framework for the program to foster knowledge sharing, learning, and synthesis of experiences. How will the proposed approach scale-up from the local and national level to maximize engagement by all relevant stakeholders and/or actors?

The above-mentioned participatory processes and platforms (REDD+ strategy formulation, PDET formulation, protected area management plan formulation), have strengthened a large group of organizations that congregate communities of people that have the possibility of implementing effective and sustainable governance strategies in the territory. The work with the groups will make it possible to strengthen environmental education, governance and leadership, with an intergenerational and gender focus in the project areas. The project will seek to consolidate a local learning network based on the management and resolution of socio-environmental conflicts. The newly created Regional Centers for Environmental Dialogue will also play an important role in this respect in the selected territories. These centers were created through resolution 2035 of 2018 to improve governance and coordination between the State, productive sectors and the communities and in the generation of production-conservation agreements developed under component 1. Through these Centers, the project will also promote the sharing of experience and best practices between project stakeholders at the local, sub-national and national levels. In addition, capacity building activities under component 2 will be well tailored to the needs of different stakeholder groups at all levels (indigenous and local communities, local farmers and producer associations, private sector, decision makers, etc.). Criteria and mechanisms will be set to ensure participation in knowledge events is prioritized and the participants will be those with the possibility of implementing the lessons and/ or share with peers. The project will also promote South-South learning events to foster global level exchanges concerning the three commodities targeted by this project. The Tropical Forest Alliance (TFA), which Colombia plays a very active role in, continues to be an important global platform to promote, share and receive feedback on the project's objectives and results.



Côte d'Ivoire

## GEF-7 CHILD PROJECT CONCEPT

CHILD PROJECT TYPE: Full-sized Child project

PROGRAM: IP FOLU

<b>Child Project Title:</b>	Scaling up Cocoa-based Food Systems, Land Use and Restoration /Transformative Innovations in Côte d'Ivoire (SCOLUR-CI)
<b>Country:</b>	Côte d'Ivoire
<b>Lead Agency</b>	FAO
<b>GEF Agency(ies):</b>	UNDP UNIDO (select)
<b>Total project cost (GEF Grant):</b>	\$5,354,587
<b>Total Cofinancing:</b>	\$58,400,000

### PROJECT DESCRIPTION

#### (i) Country Context (*maximum 500 words*)

**Describe the country's relevant environmental challenges and strategic positioning relative to the systems transformation proposed for the program, including relevant existing policies, commitments, and investment frameworks. How are these aligned with the proposed approach to foster impactful outcomes with global environmental benefits?**

Côte d'Ivoire encompasses three main ecological zones: savannah in the north, a transition zone in the centre, and dense forests in the south. The forest zone is part of the Upper Guinea Forest Ecosystem, considered a key global biodiversity hotspot. The country's forests are experiencing an alarming rate of deforestation (one of the highest in Africa at 3% annually), leading to biodiversity loss. Over 90% of natural forests have been lost in less than a century. Between 1960 and 2017, forest cover fell from 12 million to less than 3 million hectares. **Agricultural expansion for the production of commodities, in particular cocoa, is the main driver of deforestation and degradation in the country.**

Recognizing the need for action, Côte d'Ivoire adopted the **National REDD+ Strategy** in 2016. Eight REDD+ strategic options have been defined, with **strategic option 1: Zero deforestation agriculture** aiming to reduce by 80 percent deforestation due to agricultural production by 2030. Part of Côte d'Ivoire's Nationally Determined Contribution is a 28% reduction in baseline emissions through REDD. The country's commitment to restoration is also demonstrated through its ambitious LDN target of restoring 100 percent of degraded lands and increasing forest cover by 6 million hectares by 2030. At UNFCCC COP23, the Government signed a [Joint Framework for Action \(Cocoa and Forest Initiative\)](#) with the World Cocoa Foundation (WCF) and its members, and the Sustainable Trade Initiative (IDH), committing to zero deforestation in cocoa supply. Subsequently, the Government, WCF, IDH and partners developed an implementation plan and funding targets for the initiative. In terms of policies and investment frameworks, these represent concrete commitment and momentum for deforestation-free cocoa supply and restoration of degraded landscapes.

**Côte d'Ivoire is the world's largest producer and exporter of cocoa supplying about one third of cocoa globally.** The risk of deforestation is increasing, with a number of factors at play:

- Rising global demand for cocoa and chocolate.
- Cocoa output in Côte d'Ivoire (in just 10 years) has risen from 1.6 million tonnes to 2,2 million expected in 2018/2019. The International Cocoa Organization forecasts a further 10% increase in global cocoa production in the next decade. This coincides with an increase in the deforestation rate with the country on track to lose all of its national forest cover by 2034, without action.
- With an annual growth rate of 2.4%, the current population of 25,300,000 inhabitants is expected to double to reach 51 million by 2050, putting further pressure on forests and other natural resources.
- With climate change, the area suitable for cocoa production in West Africa and Côte d'Ivoire is projected to decrease significantly by 2050. There is no room for expansion of cocoa production land if the remaining forests are to be conserved. The solution lies in sustainable production intensification and value chains.

With the country's participation, the potential to address this challenge and transform the cocoa system is tremendous, given its place in cocoa production and the existing momentum and strong engagement with key national stakeholders, importing countries, consumer organizations and global private sector players across the supply chain. By focusing on applied research and evidence based solutions and by attracting new investments in deforestation free cocoa, the project will create a transformative dynamic in the sector, demonstrating to (and collaborating with) cocoa producing countries in West and Central Africa and globally, models for sustainable cocoa production, supportive to biodiversity conservation, land degradation neutrality and climate change adaptation, mitigation and resilience building of livelihoods.

**(ii) *Project Overview and Approach (maximum 1250 words)***

Provide a brief description of the geographical target(s), including details of systemic challenges, and the specific environmental threats and associated drivers that must be addressed;

The project will work in two cocoa-forest landscapes representing different phases of cocoa expansion at the expense of forests. (1) South-West regions (Guémon, Cavally, Nawa, San-Pedro); and (2) East regions (Indenie-Djuablin, La Me, Moronou, Iffou, Kounfao Department). These are regions prioritised by the Cocoa and Forests Initiative. The selected landscapes are a mosaic of forests, forest fragments and cocoa-based agricultural land. They are the main cocoa production areas (particularly the southwest landscape), and highly degraded areas (especially in the east). There is clear evidence in the target regions of cocoa farms encroaching into gazetted forests (GFs), with an increasing threat also to national parks (Taï and Mont Peko).

The total size of the two selected regions is 6,396, 100 ha with 1,682,533 ha of protected areas and forest reserves. Buffer zones and potential corridors around protected areas and public forests occupy 170,218 ha. This will be the target area within the two landscapes.

**The southwest landscape** covers the largest remaining forests, with some of the highest concentrations of endemic species of the Upper Guinea Forests. These include populations of key species of global importance including seven threatened species of large mammals<sup>7</sup>. The landscape encompasses the Taï National Park, one of West Africa's largest remaining intact primary rainforests. Cocoa plantations are

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<sup>7</sup>Miss Waldron's Red Colobus; Western Chimpanzee; White-naped Mangabey; Roloway's Diana Monkey; Black-&White Colobus; Olive Colobus; and African Elephant. Wildlife inventory 2002.

relatively recent and this is where there is a significant threat of expansion into remaining forests and protected areas. **The eastern landscape** is highly degraded and is dominated by forest fragments and old abandoned cocoa plantations due to loss of soil fertility and productivity.

The significant deforestation and degradation evident in the target landscapes are driven by suboptimal farming practices, ageing cocoa trees, declining soil fertility and low cocoa productivity. Compounded by climate change and pests and diseases, the area suitable for cocoa production is also shrinking. Barriers that have to be addressed include lack of comprehensive land-use planning, weak governance and capacity of institutions to develop and implement integrated land management policies, low technical capacities to adopt appropriate technologies and practices, limited access to finance, markets and information etc.

**Describe the existing or planned baseline investments, including current institutional framework and processes for stakeholder engagement and gender integration;**

The project builds upon the Cocoa and Forests Initiative (CFI), a joint Framework for Action between the Government of Côte d'Ivoire and leading cocoa and chocolate companies. CFI aims to restore degraded forests and build inclusive cocoa supply chains that eliminate deforestation associated with cocoa production. The initiative is structured around three pillars<sup>8</sup>:

- 1) Forest protection and restoration with focus on the conservation of national parks and restoration of classified forests that have been degraded through encroachment by cocoa farming;
- 2) Sustainable production and farmers' livelihoods. This component includes sustainable intensification of production to reduce pressure on forests and at the same time increase farmers' yields and income; and
- 3) Community engagement and social inclusion, promoting community models for participatory protection and restoration of selected forests, measures to reduce the social impacts and risks associated with land use changes, and other activities.

A phased approach has been adopted to implement CFI with a start-up phase (2018-2020) in which the focus is on creating an enabling environment and on-the-ground implementation of pilots to test policies and models for scaling-up in the planned ten-year scaling phase (2021-2030). CFI is a comprehensive program that has some of the key elements in the FOLUR IP. It has been developed in line with the national forest policy and the REDD+ strategy and recognizes various ongoing and planned programmes that will contribute to CFI objectives.

The idea then for this child project is to catalyze, complement and scale up key CFI actions, bringing in additional elements that will strengthen the transformation of the cocoa system and deliver multiple global environmental benefits.

There are a number of ongoing programmes and investments linked to the implementation of the REDD+ strategy and to CFI objectives, which form part of the baseline for the proposed child project. Notably:

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<sup>8</sup> CFI Framework for Action document.

**GIZ** is implementing a USD 20 million programme on sustainable and deforestation-free cocoa farming with a strong focus on income diversification for cocoa farmers, on business incubators to develop new cocoa products and on building consumer awareness.

**Côte d'Ivoire – WB Forest Investment Project (FIP)** aiming to “conserve and increase the forest stock, and improve access to sources of income from sustainable forest management for communities”. FIP supports sustainable management of Gazetted Forests and of the Taï National Park, involving dependent communities and proposing incentive mechanisms that would provide them with alternative revenues, thereby reducing human pressure on protected areas.

Regarding current institutional framework and processes for stakeholder engagement, a governance framework has been established for implementation of the Cocoa and Forests Initiative. The framework consists of a steering committee, technical committee and thematic groups on finance, social inclusion, traceability, forest protection, agroforestry and M&E. Members of the steering and technical committees include key ministries, National REDD+ program, WCF, IDH and major cocoa and chocolate companies. Thematic groups facilitate participation of government structures, the private sector, farmer representatives, civil society and technical and financial partners. The Ministry for Women, Child Protection and Solidarity is a member of the technical committee to ensure gender integration in the initiative. Therefore, there is already a solid structure that could facilitate stakeholder engagement in the proposed child project.

**Describe how the integrated approach proposed for the child project responds to and reflects the Program’s Theory of Change, and as such is an appropriate and suitable option for tackling the systemic challenges, and to achieve the desired transformation with multiple global environmental benefits;**

The starting point for the approach proposed for the child project is that the main challenges, drivers and barriers in the cocoa supply chain in Côte d’Ivoire are similar to those the FOLUR IP is designed to address – as described in earlier sections. The objective of the proposed project is to promote deforestation-free cocoa value chains and restore degraded cocoa-forest landscapes, in line with the longer-term outcomes of the IP.

The expected outcome under the **first component** of the project is to have cocoa-forest landscapes managed sustainably with increased restoration for agriculture and environmental services. This will be achieved through addressing the current fragmentation and conflicts in the management of cocoa-forest landscapes. Building on existing SFM plans, protected area plans for GFs and national parks and regional territorial development plans, the project will facilitate multi-stakeholder participatory and inclusive processes to develop integrated landscape management frameworks and governance models, which will then be implemented in the target landscapes. To support the implementation of the ILM frameworks, a comprehensive capacity-building program will be designed and implemented. There are several multi-stakeholder dialogues and platforms established under various initiatives including CFI. The project will strengthen these by reinforcing their linkages and their contribution to ILM framework development and implementation through dialogue and action on harmonization of policies and incentives, investments and scale-up of innovative practices. Important to note that the achievement of component 1 outcome is dependent on the achievement of the other proposed components, particularly component 3.

The outcome expected out of the **second component** is improved efficiency and sustainability of the cocoa value chain. To achieve this, the component tackles a number of issues: (a) capacities (technical and financial) and incentives for cocoa producers to adopt sustainable and innovative practices addressed by first assessing needs in terms of policies and capacities, and then promoting climate-resilient and ecologically sound intensification models through a comprehensive program for producers, cooperatives and support institutions, and catalyzing inclusive business models with strong emphasis on women and youth empowerment; (b) responsible sourcing of and investments in cocoa addressed by providing support to the development and deployment of sustainable cocoa standards, certification and traceability systems.

The **third component** is about on-the-ground restoration of highly degraded sites with a special attention on important forest habitats, leading to increased area under restoration for agriculture and environmental services (biodiversity and GHG mitigation). A key element in this component is capacity building for restoration and scale up by establishing linkages and collaboration with relevant funds such as parks and reserves fund, national forest preservation and rehabilitation fund being established under CFI, anticipated REDD+ fund and others.

The **fourth component** will contribute to establishing effective inter-agency and interministerial coordination mechanisms, and generate knowledge and innovations for transformation of the global cocoa supply chain. The project will share innovate tools and approaches through the global platform. Also important is the knowledge that the project will be able to access through this platform and share through the CFI global partners, increasing the potential for replication in other cocoa producing countries.

With the integrated approach described, the project will generate the following Global Environmental Benefits: 35,000 ha of land restored; 170,218 ha of landscapes under improved management practices; and 15,200,000 tCO<sub>2</sub>e GHG emissions mitigated.

**Describe the project's incremental reasoning for GEF financing under the program, including the results framework and components.**

The project builds upon a very strong baseline in the form of public-private partnership commitment and action through the Cocoa and Forests Initiative (CFI). The objective and many of the actions in CFI are in line with the FOLUR program. However, there are key elements missing that provide an opportunity to augment and catalyze implementation of CFI especially during the current start-up phase.

CFI recognizes the importance of a landscape approach but comprehensive actions that address the current fragmentation and conflicts in the management of cocoa-forest landscapes are missing. For instance, a priority activity under the CFI is to conduct farm mapping within direct supply chain to identify and collect cocoa farm boundaries data to ensure cocoa is not being sourced from forestlands, National Parks and Reserves, and Classified Forests. In terms of integrated landscape management, clarifying farm boundaries alone is not at all sufficient. Therefore GEF funding under **component 1** will support the development of integrated landscape management plans (linking sustainable production, large-scale restoration and biodiversity conservation) with clear institutional arrangements, collaboration and capacity for implementation (ILM systems and capacity).

Under **component 2**, GEF will finance the promotion of climate-resilient and ecologically sound and inclusive intensification models, working in CFI priority regions. The idea is that implementation of the

models will inform the CFI scale-up phase. GEF will also co-finance technical assistance for the development and implementation of sustainable cocoa standards, certification and traceability, key CFI start-up actions.

While the CFI start-up phase also includes a subcomponent on the promotion of agroforestry and sustainable production, CFI financial commitments are towards providing improved planting material for cocoa and multi-purpose trees. GEF will finance the implementation and scale-up of more complete, knowledge intensive models that incorporate important aspects such as integrated soil fertility and water management, integrated pest management and other agro-ecological practices - informed by systems that have been tested and implemented in Côte d'Ivoire and in other countries<sup>9</sup>.

For component 3, GEF financing is needed to facilitate the implementation and scale-up of restoration actions on the ground, establishing effective coordination mechanisms to leverage investments and commitments for conservation and restoration of natural habitats.

The results framework and components are described in detail in the section above.

**Engagement with the Global / Regional Framework (*maximum 500 words*)**

**Describe how the project will align with the global / regional framework for the program to foster knowledge sharing, learning, and synthesis of experiences. How will the proposed approach scale-up from the local and national level to maximize engagement by all relevant stakeholders and/or actors?**

Knowledge sharing, learning and innovation is a key component to achieving the expected transformative impact of the project. This engagement will be a two way street with the [FOLUR IP global platform](#) enabling engagement by the child project to benefit from global level dialogue and action (reflected in output 4.1.1). Models, tools and approaches for sustainable cocoa production developed in Côte d'Ivoire, the world's largest cacao producer and exporter, will be shared globally and particularly with leading and emerging cacao producing countries in West and Central Africa.

Existing multi-stakeholder dialogue and cocoa innovation platforms will be strengthened and will act as the main knowledge hubs to share lessons and to maximize engagement of all stakeholders on the ground.

By demonstrating to local and national government the effectiveness of the proposed innovative tools for Integrated land management approaches and by raising awareness of the business potentials of investments in deforestation free cocoa, the project will ensure that knowledge is transferred into the local/national government's action plans to achieve wider scale-up nationwide of the tested innovations.

The private sector will be an important catalyst for scaling and technology transfer both within and outside Cote d'Ivoire's boundaries. The project will partner strategically with the World Cocoa Foundation -one of the main drivers of the Cocoa and Forest Initiative- which represents over 100 companies covering approximately 80% of global cacao market, therefore representing a huge opportunity for transfer of knowledge and lessons learned widely across the industry.

The direct involvement of UNDP as co-implementing agency will ensure that the project will capitalize on the Good Growth Partnership (GGP) and it will contribute its ongoing effort of rolling out a long term knowledge sharing strategy around key commodities, including cocoa. The GGP is supporting the establishment of Global Impact Platforms, an online repository of information that are consolidating data,

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<sup>9</sup> E.g. the successful Tomé-Açu Agroforestry System.

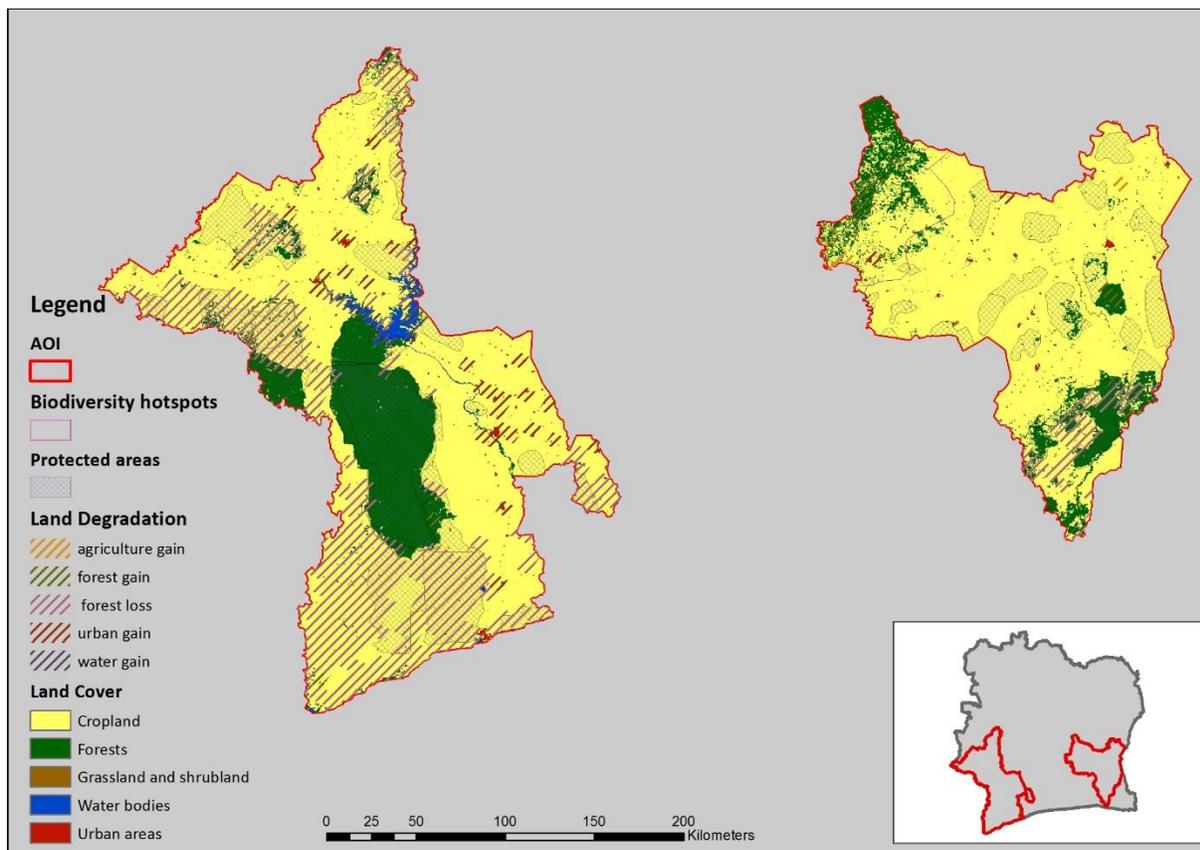
and filling knowledge and scientific gaps on sustainable production, including deforestation free commodities. Slated for launch in mid-2019, the Global Impacts Platform is oriented to meet the needs of business leaders, policy makers, and researchers as they shape standards and sustainable supply chain interventions. Another key platform for food systems that will inform and be informed by the project is the One Planet network (10YFP) Sustainable Food Systems (SFS) Programme, an important global multi-stakeholder partnership that aims at accelerating the shift towards more sustainable food systems<sup>10</sup>.

## ANNEX B – Target landscapes

The project will address two landscapes representing different phases of cocoa expansion at the expense of forests in Cote D’Ivoire.

Target landscapes:

1. South-West regions (Regional Councils of Guémon, Cavally, Nawa, San-Pedro);
2. East regions (Indenie-Djuablin, La Me, Moronou, Iffou, Kounfao Department).



<sup>10</sup> <http://www.oneplanetnetwork.org/sustainable-food-system/about>

Ethiopia

## GEF-7 CHILD PROJECT CONCEPT

CHILD PROJECT TYPE: Full-sized Child Project

PROGRAM: IP FOLU

<b>Child Project Title:</b>	Preventing forest loss, promoting restoration and integrating sustainability into Ethiopia's coffee value chains and food system
<b>Country:</b>	Ethiopia
<b>Lead Agency</b>	UNDP
<b>GEF Agency(ies):</b>	(select) (select) (select)
<b>Total project cost (GEF Grant):</b>	\$20,342,202
<b>Total Cofinancing:</b>	\$195,950,000

### PROJECT DESCRIPTION

#### 1. Country Context (*maximum 500 words*)

Describe the country's relevant environmental challenges and strategic positioning relative to the systems transformation proposed for the program, including relevant existing policies, commitments, and investment frameworks. How are these aligned with the proposed approach to foster impactful outcomes with global environmental benefits?

To achieve a sustainable food and land use system, Ethiopia must address four challenges simultaneously:

- Manage fast economic growth and a rapid rural-urban transition sustainably. Ethiopia envisions annual economic growth of 11%, building on fast growth in infrastructure, agro-processing, and services. This is expected to be driven by a growing agriculture sector, which also needs to meet a rising food demand from rapidly growing cities.
- Boost yields on existing crop and grazing lands. Smallholder farmers require additional support to increase agricultural productivity and market orientation. About 15 million smallholder farms grow cereals, the leading crops in terms of area planted. Coffee is Ethiopia's largest export crop, also grown by over 2 million smallholder farmers. Agriculture contributes about a third of the GDP, is the largest employer, and dominates land use.
- Conserve forests and other natural ecosystems. Subsistence farming has been a key driver of deforestation, and expanding agriculture is expected to further contribute to this, without any course correction. Ethiopia's current trend of forest loss and degradation needs to be reversed to avoid limiting economic performance, exacerbating water stress, and undermining resilience.
- Restore natural and productive ecosystems. Unmitigated erosion and soil nutrient loss is estimated to lower agriculture production in the order of 0.8 to 1.9 percent of Ethiopia's GDP per year.

The government is addressing these challenges through its:

- Commitment toward a green economy - The CRGE Strategy, which was mainstreamed in the current five-year plan (GTP III), outlines a fundamental transformation of the economy to address interconnected sectoral challenges such as boosting agricultural productivity, increasing forest area, and ensuring food and nutrition security.
- Agenda to transform the agricultural sector - The Agricultural Transformation Agenda aims to increase commercial orientation of smallholders and strengthen value chain alliances in selected geographic areas.
- Commitment to grow the forest economy and protect forests. The National Forest Sector Development Plan aims to not only reverse forest trends but to increase forest cover from 15% to 20% within five years and to 30% within ten years.
- Commitment to restore degraded land and increase forest cover. The GTP III has acknowledged land degradation as a serious threat and established very ambitious restoration target of 22.5 million hectares by 2030.

Despite these commitments and progress, these challenges are addressed individually, several key constraints prevent these from being addressed simultaneously. They include lack of:

- experience with comprehensive land use planning and coordinated, cross-sectoral implementation of the CRGE Strategy;
- sustainable agricultural intensification models including deforestation-free export commodities;
- scalable examples that simultaneously restore and protect key habitats within areas undergoing smallholder commercialization;
- partnerships that bring public and private actors together to deliver change on the ground.

The proposed program will address these challenges:

- Support the implementation of integrated land use plans, building on emerging policy developments at the national for integrated landscape management.
- Strengthen the enabling conditions for deforestation-free coffee landscapes and value chains, in line with the national plans for forest sector development and protection.
- Adopt sustainable intensification practices in areas prioritized for agricultural commercialization in line with the recognition for the need to build the agriculture sector's resilience.
- Restore and protect Afro-montane forest and other habitats, in line with their recognized importance for carbon sequestration, biodiversity protection, including of the *C. Arabica* gene pool.

## 2. Project Overview and Approach (*maximum 1250 words*)

2. Provide a brief description of the geographical target(s), including details of systemic challenges, and the specific environmental threats and associated drivers that must be addressed;

The project will target areas of Oromia and Southern Nations, Nationalities and Peoples Regional States located in southern Ethiopia, which collectively account for 74% of Ethiopia's remaining forests (dense, moderate and sparse) and 86% of the remaining Afro-Montane forests. The two regions also host over 13 million ha of Ethiopia's protected area estate, such as biosphere reserves and national parks, including the Yayu Coffee Forest Reserve, is important for protecting the remaining genetic pool of *C. Arabica*, as

well as the Omo and Nech-sar national parks, which host important wildlife species, including the African elephant and lion.

The regions' agro-ecological zones make them suitable for agriculture and so make them the center of investment for agriculture and food production and are the country's food basket. Conversion of forests for agriculture is significant and other land uses are increasing while forested area declines: open woodland (27 percent), agriculture (24 percent) and grassland (23 percent) are the main land uses replacing forest land.

### Geographical targets

The project targets primarily coffee landscapes, a total of about 9 million ha, where the remaining Afromontane forests remain. 97% of Ethiopia's coffee regions are located in this landscape. Wild Arabica coffee occurs in Moist evergreen Afromontane forest (MAF), and Transitional rain forest (TRF). MAF and TRF forests are composed of a diverse array of evergreen trees and shrubs and represent what is best described as cool-tropical rainforest. MAF and TRF forest types, sometimes referred to as 'coffee forest', are mostly restricted to the south-eastern and southern part of the Ethiopian Highlands.

In addition to coffee landscapes, the project will also target cereal production systems in Agricultural Commercialization Clusters where wheat and maize are priority crops, particularly those in proximity to forests and coffee landscapes. For wheat, this is in south-eastern Oromia, around Bale and Arsi. Harena Forest is a wild coffee forest located in Bale, south of Bale mountains. Both coffee and wheat are grown at around the same elevation.

### Systemic challenges

Current land use planning capacity is limited in Ethiopia, as until February 2019, no land use policy existed, and land use decisions are and have historically been based on a limited understanding of the impacts on the environment, landscapes and ecosystems. Agriculture puts significant pressure on all land resources, and state institutions at national and regional levels have inadequate capacity to provide extension support for sustainable land management and agricultural production practices. Coordination between national level institutions is weak.

The way coffee is produced in Ethiopia is also complex. The level of 'management' is a determining factor in whether it leads to forest degradation or not. Generally, forests without coffee production have a higher deforestation risk than forests with coffee production; forests with coffee production have lower biodiversity value than natural, undisturbed forest; and biodiversity decreases with increasing intensification, from forest coffee, through semi-forest coffee to forest garden coffee, but with coffee productivity increasing.

Farm-gate prices for agricultural produce, including coffee, are low, with farmers' share of the export price for coffee at 60%. This puts further pressure on land and other resources as farmers expand the area of production. Production is below potential because farmers rarely apply improved agronomic practices

that could increase quality and incomes. For instance, only 10% of coffee traded through the Ethiopian Commodity Exchange is traceable, further limiting the benefits to producers. Farmers lack training on product quality improvements and access to services such as credit, inputs and equipment is limited. In a bid to increase productivity, coffee systems are becoming more and more intensively managed (i.e. through tree and bush removal), and with increasing commercialization, the rates of expansion and intensive management is increasing, leading to further degradation and deforestation. Despite the substantial efforts on restoration and forest protection, the rate of restoration is on average exceeded by deforestation rates, due largely to the lack of adequate incentives for forest protection.

#### Environmental threats and associated drivers that must be addressed

Ethiopia's forest-based coffee farming systems are dependent on the presence of humid forest, particularly for forest coffee (FC) and semi-forest coffee (SFC). It is clear, then, that deforestation is detrimental for the coffee farming sector. Even though deforestation rates are lower in areas where there is coffee farming, it should be recognized that coffee farming can be a significant cause of deforestation and forest degradation. Measurements show that there has been significant deforestation in Ethiopia, and this includes the humid (Afromontane) forests that are associated with coffee production and wild coffee populations.<sup>11</sup> Based on a calculation of potential humid forest cover and what was present in 2014, it is possible to estimate that approximately 63% of this forest type has been lost since pre-agricultural times. It is believed that around 70% of the deforestation in Afromontane (humid) forests has been caused by small-holder expansion, intensification, and conversion to agroforestry systems. Overall, the rate of landscape restoration is less than that of forest loss, meaning agricultural production is overall leading to forest and landscape degradation. There is, however, potential to restore over 6.3million ha of forest and cropland.

Describe the existing or planned baseline investments, including current institutional framework and processes for stakeholder engagement and gender integration;

The Government of Ethiopia has ambitious plans to grow its economy by transforming key sectors towards industrialization, commercialization and modernization. As planned under the current and future Growth and Transformation Plans (1 and 2), the government will pursue four agriculture sector objectives of the GTP II. These are: (i) increased and market-oriented crop production and productivity; (ii) increased livestock production and productivity; (iii) reduced degradation and improved productivity of natural resources, and (iv) enhanced food security. Emphasis is given to high-value crops and livestock production, as well as enhanced market access. The government aims to achieve this by modernizing the sector through the extension system and sustainable agricultural technologies and practices, ensuring an integrated input supply system (e.g., fertilizer, seed).

The current investments in agriculture stand at around \$1bn of which around 40% is from within

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<sup>11</sup> Davis, A.P., Wilkinson T., Challa, Z.K., Williams, J., Baena, S., Gole, T.W. & Moat, J. (2018). Coffee Atlas of Ethiopia. Royal Botanic Gardens, Kew (UK).

the MoA, and the private sector is estimated to account for about 20% of the total investment. Agricultural commercialization is underway, and through it, private sector investment is expected to double to 40% of the \$5 billion annual investment planned under the Agriculture Transformation Agenda by 2030. The Ministry of Agriculture estimates that the investment required to make the sector resilient is currently at about \$200 million, and this is expected to increase to about \$600 million by 2030. Agricultural investments continue to leave women behind, and even though women play a key part in the coffee value chain, they continue to benefit less, as their participation is often limited to the less profitable parts of the value chain (e.g. picking, washing), and to some extent are excluded from the more profitable ones (e.g. marketing, trading). In line with UNDP programming policies, including Social and Environmental Standards (SES), the PPG will conduct a comprehensive gender analysis with a view to preparing a gender action plan that seeks to ensure that all project interventions are gender responsive and pursue gender-transformative outcomes at the sector, landscape and policy levels. A key aspect is to empower women to participate in decision-making structures (e.g. Value Chain Alliances, multi-stakeholder platforms) and to access the more profitable parts of the coffee and agriculture value chains, by raising awareness about the benefits of including women, as well as improving access to inputs, training, finance and markets.

The Ethiopian Coffee and Tea Authority (ECTA) was re-established in 2016 with a mandate to: 1) increase foreign exchange revenue and 2) increase value chain incomes, especially among smallholders, and it seeks to do this by doubling production and maximizing the quality of Ethiopian coffee and rejuvenating aged coffee plants. The ECTA is currently developing a 15-year Coffee Strategy outlining plans to improve key areas in order to achieve its overall objective: research; production and extension; processing; value addition, marketing and strengthening the coffee sector. If successfully implemented, the country has potential to grow annual coffee export revenues to \$4.6 billion and farmer incomes to \$2.6 billion. The Agricultural Transformation Agency<sup>12</sup> was created to help accelerate the growth and transformation of Ethiopia's agriculture sector. Currently, the ATA is implementing the Agricultural Commercialization Cluster Initiative, with a budget of over US\$350 million. The 'Greening the ACC' initiative has two objectives: Increased participation and benefits of women and youth along cluster value chains; and Enhanced use of natural resources and increased adoption of climate smart practices along cluster value chains.

Several past and current initiatives form the baseline of interventions supporting the agriculture and forestry sectors, including in the proposed project landscapes. The following key examples:

- Partnership for Forests' initiative on Ethiopian Forest Coffee - To incentivise forest conservation in Ethiopia, bring long-term economic benefits to coffee growing communities and open up a new category of specialty coffee to the global market.
- Food and Land Use Coalition national program to develop a package of policy recommendations for sustainable food and land use systems.
- World Bank/ Forest Carbon Partnership Facility program (Oromia Forested Landscape Program) – a 10-year, US\$18 million program that forms Oromia Regional State's strategic programmatic

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<sup>12</sup> <http://www.ata.gov.et/>

umbrella and coordination platform for multi-sector, multi-partner intervention on all forested landscapes in Oromia. The focus is on building Ethiopia's capacity to participate in carbon markets through Reduced Emission due to Deforestation and Degradation (REDD) efforts.

- World Bank's Sustainable Land Management Project-II – a 7-year US\$107.7 million project to reduce land degradation and improve land productivity in selected watersheds in targeted regions in Ethiopia.
- Sweden and UNDP-supported program on Institutional Strengthening for Catalyzing Forest Sector Development in Ethiopia, a US\$46 million initiative to support the development of the National Forest Sector Development Program, as well as forest landscape restoration and protection
- Norway's support for REDD+ investment, with the objective of protecting and re-establishing forests for their economic and ecosystem services with emissions abatement potential of 130 million tCO<sub>2</sub>e annually (2017 – 2020)
- UNDP's support to the implementation of the Climate Resilient Green Economy Strategy, through which CRGE Facility has been established and over US\$200 million raised to operationalize it
- GEF-financed initiatives on: Integrated Landscape Management to Enhance Food Security and Ecosystem Resilience, a US\$10.2 million initiative to enhance long-term sustainability and resilience of the food production systems by addressing the environmental drivers of food insecurity in Ethiopia
- GIZ-supported program on Rehabilitating landscapes for improved livelihoods in Ethiopia

Collectively, these initiatives, and many other supported by different partners and government institutions will form the basis for investments under the FLOUR Impact program.

Describe how the integrated approach proposed for the child project responds to and reflects the Program's Theory of Change, and as such is an appropriate and suitable option for tackling the systemic challenges, and to achieve the desired transformation with multiple global environmental benefits;

The project will support an implementation of interventions that build on the FOLUR Program Theory of Change and are organized around its proposed objectives. These are briefly described below. The proposed outcomes and outputs are outlined in table on 'Project Components and Financing' above:

**Component 1- *Development of integrated landscape management (ILM) systems in Oromia and SNNP regions*** – will support national and regional state processes to establish land use planning systems through a participatory and inclusive process, informed by assessments and mapping of the needs and capacities at all levels of decision-making, and through the use of evidence-based scientific decision-support tools. Building on the recently developed National Integrated Land Use Policy (NILUP), land use and landscape management plans that result from this process will enable a shift towards sustainable production, restoration and conservation investments by actors in the food and commodity production sector. Multi-stakeholder platforms will drive land use monitoring and an institutionalization and enforcement of decisions, plans and regulations. Learning and results from this will inform future decision-making,

institutional capacity strengthening and incentives for upscaled adoption and replication of these integrated approaches across the entire country.

**Component 2 - *Promotion of sustainable food production practices and responsible value chains across 9M ha of Oromia and SNNP regions*** – will support enabling conditions for investments in food and commodity production, and for the coffee value chains in particular, to become deforestation-free. It will support farmer support systems and enhance their knowledge and capacity to adopt and implement good agronomy practices that will position them to better participate in and benefit from the global coffee value chain. Support will be provided to farmers to enhance the quality of the coffee product, increase value addition through processing and invest in value creation, access to new, niche and premium markets supported through use of new improved marketing, certification and traceability schemes. The component will support the identification, packaging and provision of financial and market incentives to encourage farmer to shift towards more sustainable agricultural practices. These incentives will act to remove barriers to adoption of good agricultural practices and support local farmers to gradually build incomes from sustainable agriculture. The project will also support the legitimization of social innovations that allow farmers to directly access niche and more profitable markets for their sustainably-farmed produce. It will support the exploration of new technologies such as blockchain, to promote traceability of coffee, facilitate financial transactions (e.g. M-birr) between consumers and producers/farmers, voucher system for technical support/input. It will also support new business models for timber and wood products like distributed plantations.<sup>13</sup>

**Component 3 - *Conservation and restoration of natural habitats*** – will support efforts to promote sustainable forest management to allow ecosystems to thrive and continue to generate environmental benefits and provide critical goods and services to biodiversity and people, and indeed enhance productivity of the landscape itself. It will support implementation of aspects of the National Forest Sector Development Plan Action Plan that target the protection, conservation and restoration of critical landscapes, ecosystems and habitats that support wildlife populations and the livelihoods of communities dependent on such landscapes for subsistence agriculture, harvesting timber and non-timber forest products (e.g. honey, medicinal plants, wild fruits etc.), and utilize the landscapes and forests for cultural, recreational (e.g. tourism) and spiritual purposes. It will promote incentives to facilitate sustainable harvesting and utilization of forest products, as well as restoration.

**Component 4 - *Project Coordination, M&E and Knowledge Management for replication and scaling up*** - The project will generate a set of knowledge products around the experiences of promoting deforestation-free commodities, sustainable food crops and restoration across landscapes. These knowledge products will contribute to the FOLUR community of practice. Exchanges with other FOLUR projects, particularly with similar situations, such as same commodity will be supported to facilitate cross-learning. Through the UNDP-managed Green Commodities Program (GCP) and the Good Growth Program (GGP), the project

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<sup>13</sup> See <https://www.wri.org/publication/business-of-planting-trees>

will create strong linkages with other similar projects around the world, to connect to global commodity initiatives (RSPO, WCF, ICO, GRSB etc) and also serve as a principal forum for convening the global and national supply chain stakeholders in the country.

Through this component, the project will also closely engage with national Food and Land Use Coalition work-planning process, and also inform the process of emerging experiences from on-the-ground interventions for high-level learning and decision-making. The component will put in place robust monitoring and evaluation systems, utilizing new and innovative technologies, to track progress towards targets, measure results and impact, and report on progress towards generation of global environmental benefits, in line with the GEF's core performance indicators.

Describe the project's incremental reasoning for GEF financing under the program, including the results framework and components.

The current baseline is significant, but many of the initiatives and investments remain fragmented and lack a high-level organizing framework. The recent developments and commitment toward reforming land use and land use decisions forms the legal basis for action that was hitherto absent. However, there is a lack of experience with land use planning in Ethiopia, and with this policy development to catalyze change on the ground, there is need to adopt a strategic approach and identify key entry points that will trigger system transformation.

Without the GEF increment, the ACC Initiative will continue to focus on short-term quick wins to boost food production and agro-processing to get the benefits in surplus generation for farmers and employment effects and value added in agro-processing. Similarly, expansion of the coffee seeks to maximize quick gains in output by adopting a commercialization orientation, and by increasing the share of commercially-produced coffee in the overall coffee output, through increased private sector investments in the coffee plantation model. This approach does not sufficiently address the need to simultaneously promote environmental sustainability and inclusion, although these are articulated as part of the cross-cutting priorities of the ACC Initiative. Resources are limited to implement these cross-cutting initiatives, including interventions on natural resources management and gender integration. To achieve this and ensure the sustainability of the results and outcomes of such initiatives, there's need for a change in the business model, in particular to integrate these issues into the practices and value chain and engage the investors and actors in the value chain to realize the benefits of investing in sustainable business practices.

With the GEF increment, land users and farmers can take on board slower growing trees and also create combined/mixed technology packages producing private and public goods. Incentives for long-term maintenance of soil and water conservation structures and sustainable land management practices and forest and landscape restoration are required. Past soil and water conservation programs have often

failed because farmers stopped maintaining soil and conservation structures once program funding ended. Studies on the economic costs and benefits of sustainable land management practices indicate that long-term maintenance of conservation structures is necessary until economic benefits exceed the construction and maintenance costs. The GEF support will contribute towards removing some of the barriers to integrated land use planning that is inclusive and oriented towards promoting sustainable use of land and natural resources and promotes restoration of degraded landscapes. It will support systems and governance processes that bring together small-holder farmers producers, suppliers and local and international buyers, including poorer women and youth at the lower end of the value chain, and broaden the space for participation in land use decision-making and restoration planning and beneficiation, with the aim of developing more inclusive and environmentally-sustainable food and commodity value chains.

#### Engagement with the Global / Regional Framework (*maximum 500 words*)

Describe how the project will align with the global / regional framework for the program to foster knowledge sharing, learning, and synthesis of experiences. How will the proposed approach scale-up from the local and national level to maximize engagement by all relevant stakeholders and/or actors?

Outputs and deliverables out of all the components, including results of assessments, land use plans, technical guidance, decision-support tools and governance processes and structures such as multi-stakeholder platforms will generate lessons and experiences that can be taken upstream to inform national action at the policy and institutional levels, but also replication in other parts of the country and beyond, at the global level.

#### **Informing actions at policy and institutional level**

National Integrated Land Use Planning (NILUPP) initiative and similar regional and sub-regional land use planning efforts. The project will work closely with ongoing land use planning processes and aim at building a permanent system that is well embedded in government and decision making. It is not clear how fast the roadmap to implement the NILUPP will have proceeded in Oromia and SNNP, once the IP commences. The options range from using an ad-hoc woreda-level land use planning process and then sharing lessons learned to improve the official system, to working through the recommended planning processes, assuming they are established.

Integrated Agro-Industrial Parks. Lessons learned through the envisioned work with Value Chain Alliances and other coffee platforms, which are linked to Integrated Agro-Industrial Parks in Oromia and SNNPR can inform broader national agro-industrial park strategy and implementation.

#### **Encouraging replication in other parts of the country**

National Agricultural Transformation Agenda, other Agricultural Commercialization Clusters, and other Value Chain Alliances. The project will work through the regional and sub-regional platforms for agricultural commercialization clusters to scale from coffee landscapes where project

interventions are directly implemented to all the coffee landscapes and from ACC woredas to all ACC woredas in the country.

National Forest Sector Development Plan. Having a scalable model that simultaneously restores and protects key habitats within areas undergoing smallholder commercialization can inform the NFSDP action agenda and related purposeful tree-planting. Most restoration opportunities identified in Ethiopia's highlands have prioritized mosaic restoration, which aims to establish trees into pre-existing land uses such as agriculture.

### **Encouraging replication at international level**

Lessons learned will be shared through the global FOLU Coalition, which is currently operating in 40 countries, and also through the Green Commodities Program (GCP) and Good Growth Partnership Communities of Practice. Ethiopia can demonstrate:

How to become a sustainable coffee producer and create deforestation-free jurisdictions. Colombia and Indonesia, among the world's top coffee producers, have active national FOLU Coalitions implementing an Action Agenda for a sustainable food and land use system. - The project will connect to global level commodity and food supply chain initiatives and networks, primarily through UNDPs Green Commodities Programme and Good Growth Partnership, as well as through other means offered by FOLUR global platform. These connections will facilitate the project linking to global buyers interested in sourcing from jurisdictions advancing towards having deforestation free commodity production and also to learn latest best practice and policy of the global markets.

How to transform the agricultural sector from subsistence to commercial farming in a sustainable manner. A successful scalable demonstration model for sustainable agricultural intensification without deforestation can inform other countries seeking to transition from subsistence farming to commercial agriculture, especially in Africa.

How to create geographic areas of land use and land management innovations building on agricultural commercialization platforms. Ethiopia is making good progress in implementing specially designated geographic areas where a high concentration of producers, agribusinesses, and institutions are collaborating to rapidly develop priority agricultural value chains. Developing a successful model that also ensures resource sustainability and integrated land use practices in geographic areas, building upon that effort, could inspire similar actions in countries interested in such an approach.

Project teams will actively participate in the FOLUR community of practice and, along with government counterparts represent the project in global fora. This will also include contributing lessons to the IP's Global Platform and its knowledge management efforts both across the FOLUR IP and directly to the wider commodities and food system community. This will all require significant budget for lesson learning, assessments, evaluations, cross project learning and travel to international community and global events.

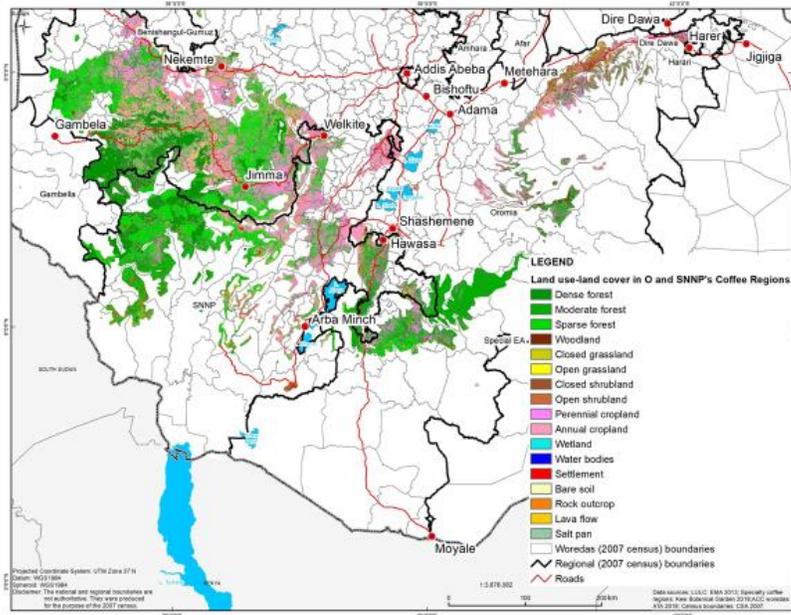
## Map of Area of Intervention

### Coffee Regions in Oromia and SNNP – current land use-land cover

Oromia and SNNP contain 97% of the coffee regions of Ethiopia.

The Coffee Regions in Oromia and SNNP constitute 23% of the two regions but 41% of their forests.

Source: Kew Botanical Garden 2018



Ghana

**GEF-7 CHILD PROJECT CONCEPT**

**CHILD PROJECT TYPE: Full-sized Child Project**

**PROGRAM: IP FOLU**

<b>Child Project Title:</b>	Landscape Restoration and Ecosystem Management for Sustainable Food Systems
<b>Country:</b>	Ghana
<b>Lead Agency</b>	WB
<b>GEF Agency(ies):</b>	WB (select) (select)
<b>Total project cost (GEF Grant):</b>	\$12,756,881
<b>Total Cofinancing:</b>	\$137,500,000

**PROJECT DESCRIPTION**

Country Context (*maximum 500 words*)

**Describe the country’s relevant environmental challenges and strategic positioning relative to the systems transformation proposed for the program, including relevant existing policies, commitments, and investment frameworks. How are these aligned with the proposed approach to foster impactful outcomes with global environmental benefits?**

Forestry and agroforestry together with agriculture account for more than 50 percent of the land use in Ghana. Ghana is the world’s second largest exporter of cocoa, an agroforestry crop generating over US\$2.2 billion per year, important for both the economy and rural employment.

However, the country’s cocoa sector is facing environmental and sustainability challenges. Conversion of forests to agricultural land is the primary driver of deforestation which in turn contributes to the loss of environmental services, soil erosion and loss, reduced agricultural productivity, declining crop yields, and economic losses to the country. Reduction in cocoa and food crop production because of continued land degradation is putting Ghana at a high risk of economic crisis and food insecurity. Expansion of cocoa production in Ghana has caused millions of hectares of deforestation and ecosystem degradation. This leaves the cocoa landscapes in an unsustainable condition and more vulnerable to climate change. Sustainability of the sector depends on the actions smallholder cocoa farmers. Despite growing global demand for chocolate, smallholder farmers are seeing lower incomes and declining yields due to poor tree and soil management, pests and diseases, aging tree stock, limited expertise in modern techniques, and a lack of access to improved inputs and affordable finance schemes. Smallholders lack the expertise, technology, and finance to invest in improving production, rehabilitation and moving to climate smart cocoa practices. This project seeks to correct these deficiencies by engaging cocoa sector buying companies, the COCOBOD and the extension agencies of Ghana in improving production practices on the ground.

The Government of Ghana has given high priority to address land degradation in the cocoa producing landscapes. The proposed project's targeted landscape is aligned with the Government's priorities and commitments to improve the sustainability of production of commercially valuable crops, including cocoa and important staple food crops. This project capitalizes on the opportunity that Ghana and its partners have created through which countries and leading chocolate companies have joined together in the Cocoa & Forests Initiative (CFI) (<https://www.idhsustainabletrade.com/initiative/cocoa-and-forests/>) a strategy to eliminate deforestation and degradation in the cocoa supply chain and restore degraded lands and forests. The CFI emerged from consultations with government officials, CSOs, development partners, and WCF member companies. The proposed project will work with such organizations that have interest in sustainable cocoa value/supply chain to improve the sustainability. Additionally, engagement with the Ghana COCOBOD which supports production, research, extension, internal and external marketing and quality control of cocoa will allow focus on both pre-harvest and post-harvest aspects.

3. The proposed project is in line with the various government policies, plans and strategies that focus on food security, halting deforestation caused by commodity export production, ecosystem restoration and economic development. Several policies are in place that highlight the political will and support sustainable cocoa/food production for food security, ecosystem restoration and economic development: Low Carbon Development Strategy (2016); National CSA & Food Security Action Plan (2016-2020); Ghana Cocoa Forest REDD+ Program (GCFRP), Strategic Investment Framework (GSIF 2025) for SLM, the Revised Forest and Wildlife Policy (2012); National Riparian Buffer Zone Policy 2011, Ghana Forest Plantation Strategy 2016-2040. GoG is committed to address deforestation and forest degradation through the Forest Investment Program (FIP), Mining Integrated Project (MMIP), REDD+ program, Cocoa and Forests Initiative-Plan 2018-2020; Voluntary Partnership Agreement, the Forest Plantation Development Program, National Environment Policy 2014; National Climate Change Policy (2012); National Land Policy (1999); National Biodiversity Policy (2018), National Biodiversity Policy Action Plan (NBSAP, 2015), National Climate Change Policy Action Programme for Implementation: 2015–2020; Medium-Term National Development Policy Framework: An Agenda for Jobs: Creating Prosperity and Equal Opportunity for all 2018-2021; and Ghana Cocoa and Forests Initiative-National Implementation Plan: 2018-2020 etc.

The government of Ghana has been engaged in addressing deforestation and forest degradation through the Forest Investment Programme (FIP), the multi-sectoral Mining Integrated Project (MMIP), the REDD+ programme, the Voluntary Partnership Agreement (VPA), AFR100, the Forest Plantation Development programme, and policy reforms on Tree Tenure and Benefit Sharing Schemes.

Experience with the implementation of FIP showed that COCOBOD, which is the sole buyer (acting through licensed buying companies) and exporter of the commodity to promote sustainable production of cocoa through productivity increase, supported by extension services, and provision of hybrid cocoa seedlings among others, work hand in hand with sector institutions to ensure sustainable production of cocoa. The aim of this partnership is to reduce the cocoa footprint by halting deforestation and restoring forest areas in the cocoa supply chain.

Demonstrating the strong public-private collaboration already in place, the government of Ghana has signed the Cocoa Forest Initiative (CFI) joint commitment with thirty-one leading cocoa and chocolate companies to end deforestation and forest degradation in Ghana. Many of the private sector companies have existing sustainability programs in the country.

These institutional setups, policies, strategies and plans have strengthened the enabling environment for the successful implementation of the proposed project under the FOLUR IP.

#### Project Overview and Approach (*maximum 1250 words*)

Provide a brief description of the geographical target(s), including details of systemic challenges, and the specific environmental threats and associated drivers that must be addressed;

The Pra River Basin is the targeted landscape. It is located between Latitudes 50 N and 70 30' N, and Longitudes 20 30' W, and 00 30' W, in south-central Ghana. The total basin area is approximately 23,200 km<sup>2</sup> and it extends through 55% of Ashanti, 23% of Eastern, 15% of Central and 7% Western Regions of Ghana.

The Pra River Basin falls within a landscape that has key national and global importance. Nationally, the Ashanti region, which covers more than half of the Basin, is the second largest producer of cocoa beans in Ghana<sup>14</sup>. The landscape has also a significant share in the production of economically important staple food such as cassava, plantain, maize, cowpea, yam, and cocoyam. Furthermore, the Basin falls within the Upper Guinean rainforest, which has been recognized as a global biodiversity hotspot due to a high presence of endemic species<sup>15</sup>. Sustainable management of this landscape is key to ensuring the continued production of cocoa, food security and in supporting the economy and livelihood of thousands of households.

However, the Pra Basin landscape is faced with multiple environmental threats which need to be addressed. *First*, land degradation has been increasing in the landscape for more than a decade resulting in a sharp decline in agricultural yield. This has forced smallholders<sup>16</sup>, to expand their cultivated lands into forest lands – including and especially cocoa production, traditional bush fallow systems, grazing practices, and rising demands for water are becoming increasingly unsustainable. *Second*, achieving transformational changes of agricultural practices is hampered by difficulties of scaling up sustainable land management practices due to the large number of smallholders whose access to agricultural inputs and markets is limited. *Third*, current agricultural practices adversely affect not only agricultural lands but also water bodies, forests, and natural habitats leading to more land degradation and deforestation and, thereby increasing the degradation of environmental quality. Expansion of cocoa production to forested landscapes, and over exploitation of forest resources such as timber and NTFPs causes further forest degradation and deforestation. *Fourth*, the Basin area has rich deposit of mineral resources and in recent years has attracted lots of unsustainable mining activities which have led to land degradation and contamination of water bodies with mercury. This will be further exacerbated by climate change. Based on the latest climate change predictions (2030-2050), producers across the entire landscape are recommended to invest heavily in systemic adaptation and resilience building, to arm themselves against the impacts of climate change on cocoa production. *Finally*, there exists barriers to effective governance

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<sup>14</sup> [https://cocobod.gh/weakly\\_purchase.php](https://cocobod.gh/weakly_purchase.php)

<sup>15</sup> <https://eros.usgs.gov/westafrika/land-cover/deforestation-upper-guinean-forest>

<sup>16</sup> Small holder farms -mostly less than 2 ha in size, operated by families and use traditional technologies- are the common agricultural practices in the targeted landscape.

and a need for comprehensive integrated basin level management planning with a strong focus on climate-smart cocoa initiatives, to ensure long term sustainability.

The focus of the interventions will be in 7 districts (Adansi South, Kwahu East, Kwahu West Kwahu South, Brim North, Assin North, and Asante Akim North) with an estimate population of 0.7 million, most of them rural (see Map in Annex). The targeted beneficiaries are low income rural communities dominated by small holder farmers whose livelihoods are driven by agriculture and dependence on natural resources. These districts have noted expansion of cocoa farms into forest reserves<sup>17</sup> and in off-reserve forest areas, and thus face several environmental challenges caused by cocoa driven deforestation, declining soil fertility, increased pests and diseases, poor agricultural practices as well as evidence of strong impending climate change impacts on rural livelihoods that would amplify the pressure on existing forests. The region also had more than 750 fire hotspots in the week of 13 March to 20 March, 2019 (source: GFW Fires). This large number of potential fires highlights the importance of fire as a GHG emitter and driver of land use change.

Describe the existing or planned baseline investments, including current institutional framework and processes for stakeholder engagement and gender integration;

The Government of Ghana has made impressive commitments related to restoring degraded lands and halting deforestation from commodity supply chains, highlighting their ownership and political will and mechanisms for broad scale stakeholder engagement. These include Ghana's NDC (2020-2030), the Food and Agriculture Sector Development Policy (FASDEP II, 2007) to modernize the agricultural sector, Ghana's Strategic Investment Framework for SLM (GSIF 2011–2025) to promote sustainable land management, REDD++ strategy for SFM, LDN targets and Tree Crops Policy (TCP) for the tree crops sub-sector. In addition, under AFR100 and the global Bonn Challenge a total of 2 million hectares of land are committed to be restored. From 2016 – 2018, Ghana has restored 258,682.10 ha of deforested and degraded lands. In 2018 the government of Ghana spent about \$4 million under the Youth in Afforestation programme of the Youth Employment Agency (YEA), to plant trees in selected degraded lands across the country. The proposed project will build upon these initiatives.

In the baseline scenario, with respect to combating deforestation, Ghana's Cocoa-Forests REDD+ Program, that includes FIP, the ER Program and DGM, seeks to reduce carbon emissions from cocoa expansion across the agricultural landscape, including naturally occurring trees on farms and the production forest estate by promoting SFM practices, climate smart cocoa production, engaging private sector investments in forest plantation and addressing land degradation caused by illegal mining. The Agriculture global practice of the WB is also planning to scale up engagement in smart cocoa production through new investments using IBRD resources.

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<sup>17</sup> Six forest reserves: Southern Scarp, Northern Scarp East, Northern Scarp West, South Fomangsu, Prakaw, Kokotintin

Notably, the country has also signed onto the CFI which calls for a stop to further deforestation from the cocoa sector, the restoration of degraded forest areas and cocoa production landscapes, and sustainable intensification to increase farmers' yields and sustainable livelihoods. Ghana's leading cocoa agencies and environment ministries have also developed a CFI National Implementation plan outlining the key priorities, activities and investments to achieve CFI commitments. This Government action plan is aligned with the action plans of the cocoa sector firms engaged in buying, processing and marketing cocoa and chocolate products globally.

The proposed project will take steps to accelerate action in the Pra River Basin building on successful approaches piloted under FIP ENFAL investments, which have also informed the CFI approaches in Ghana. The project will facilitate exchanges with relevant CFI convenings, focusing on ways to engage the private sector in promoting improved small holder agroforestry / cocoa production practices, as well as rehabilitation and restoration of cocoa-forest mosaic landscapes. The COCOBOD will also be engaged in promoting the guidelines and standards that the private sector follows, thus shifting this investment stream toward greater sustainability and climate smart cocoa production. The Pra River Basin is a good target for expansion and replication of proven approaches that have been applied in the Western Region under FIP. The project will engage with companies that have signed onto the CFI zero deforestation pledge and support their efforts to scale up key investments in this new target landscape.

Overall, the institutional context of the project allows for a multisectoral team with varied but cohesive mandates to bring together expertise for an integrated landscape approach e.g. through the National Sustainable Land Management Committee (NSLMC<sup>18</sup>) which brings together representatives from Ministry of Environment, Science, Technology and Innovation, the Environmental Protection Agency, the Ministry of Food and Agriculture; the Forest Services Division and Wildlife Division of the Forestry Commission. These core agencies have developed the coordination and dialogue structures that have been built into the CFI National Implementation Plan and the proposed project will build on this system that has led to more integrated and coordinated implementation of activities, such as the delivery of training and technical assistance to cocoa farmers.

In the context of gender integration, the project implementers will take concrete steps to ensure inclusivity in project activities, noting the importance of women in cocoa production and as heads of households in the targeted cocoa landscape. Firstly, Implementing Agencies (IAs) of the project will follow guiding principles to ensure gender equality and vulnerable group empowerment, including women and youth. Secondly, IAs will disaggregate monitoring data by sex and age and give special focus groups and outreach to women and youth populations. As part of project preparation, an assessment of social

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<sup>18</sup> MESTI has the mandate to promote science and technology application in the country and to create the conditions and enabling environment for innovations to occur; EPA is a statutory agency established in 1994 by Act 490 of Parliament to deal with environmental protection, pesticides control and regulation of environmental issues and its related purposes; MoFA is the lead agency and focal point of the Government of Ghana, responsible for developing and executing policies and strategies for the agriculture sector within the context of a coordinated national socio-economic growth and development agenda; FC is responsible for the implementation of policies, laws, regulations and procedures guiding the management and exploitation of forest resources in Ghana.

impacts and benefits will incorporate gender-sensitive aspects leading to the identification of specific actions to close identified gender gaps.

Institutional framework for gender integration includes Ministry of Gender, Children and Social Protection (MoGCSP) which is mandated to ensure gender equality and women's empowerment at all levels. Gender Desk Officers in Municipal, Metropolitan and District Assemblies, are responsible to mainstreaming gender in project activities. Cocobod is in the process of creating a gender desk for gender mainstreaming. Within the Pra Basin there are a number of Non-Governmental Organizations (NGOs), Civil Society and Faith Based Organizations (FBOs), who offer platforms for effective dissemination of information and education on gender issues at the community level. In addition, traditional authorities especially queen –mothers and female chiefs play a vital role to guide the communities and other organizations on gender integration.

**Describe how the integrated approach proposed for the child project responds to and reflects the Program's Theory of Change, and as such is an appropriate and suitable option for tackling the systemic challenges, and to achieve the desired transformation with multiple global environmental benefits; and**

Cocoa is an integral part of Ghana's economy and national identity, which needs to be managed in a way that promotes environmental sustainability as well as continued agricultural productivity under sustainable land use for generations to come. FOLUR provides an opportunity to promote forest restoration and protection and sustainable cocoa intensification in the targeted landscape. In line with the FOLUR objectives, the project takes an integrated approach to support a theory of change that focuses on (i) addressing the environmental threats from cocoa driven deforestation and impacts on rural livelihoods that amplify the pressure on existing forests; (ii) supporting integrated sub-basin development planning and landscape management approach which links production, biodiversity conservation and restoration of degraded lands, especially on poor cocoa farming practices; (iii) promoting collaboration on the social and environmental sustainability of cocoa production within the key stakeholders and; (iv) enhancing knowledge management and dissemination.

Restoration of Ghana's cocoa landscapes and monitoring for restoration and deforestation will improve the productivity of these landscapes, protect and enhance the biodiversity in the forest-agriculture mosaic landscape, and both avoid GHG emissions and sequester carbon in the landscape, through improved practices and rehabilitation through tree planting (and nurturing).

Significantly, the sub-basin level participatory planning approach will help bring stakeholders and initiatives together to implement restoration in line with national and district targets, thus linking them to the Medium-Term Development Plans of the respective District Assemblies. Within the project area there are existing initiatives targeting the cocoa sector, including Ghana Cocoa REDD+ Programme

Hotspot Intervention Areas<sup>19</sup> whose aim is to promote climate-smart agriculture that includes intensifying cocoa yields and improving smallholder livelihoods<sup>20</sup>. Networking and linking smallholder farmers to the global value chain through engagement of the cocoa licensed buying companies, supported by global cocoa buyers/manufacturers, will be critical to ensuring that small holder practices are improved in line with the CFI commitments to zero deforestation – which will become the standard business model for cocoa production (in Ghana and West Africa). In addition, the participatory planning approach also promotes social safeguards through civil society/community engagement (including gender equality).

The project design will focus upon innovative approaches and technologies to bring basin level transformation. Sub-basin plans will be connected to global best practices in jurisdictional strategic planning, extension officers will be empowered to train farmers on the latest agroforestry technologies and methods for restoration and forest protection, and successful activities will be displayed on an online “activity database” to highlight investment opportunities in Ghana for future project scaling. The project will also employ decision-support tools for assessing impacts in selected value chains on ecosystem services to inform evidence-based integrated sub-basin planning. Examples include: Global Forest Watch suite of tools - an online platform that provides data and tools for monitoring forests and areas of cocoa production, as well as climate smart cocoa tools (e.g. manuals on CSA and land/tree tenure, Apps and calculation tools, digital finance tools) developed by WCF and partners and used by several companies.

The proposed project will closely work with COCOBOD, private companies such as Monderez and NGOs such as SOLIDARIDAD that have tested experience in sustainable cocoa value/supply chain to improve the sustainability cocoa production through (i) increasing cocoa yields and incomes;(ii) building resilience and adapting to climate change; and (iii) reducing greenhouse gas emissions through agro-forestry where farmers are encouraged to plant up to 18 economic trees per hectare.

Finally, the project proposes a robust multi-stakeholder approach for integrated landscape management at various levels from bringing partners and institutions linked to sustainable cocoa value/supply chains around the table, to a national and local level multi-sector team with specialists from agriculture, environment, forestry and private sectors to strengthen institutional frameworks for sustainable cocoa food production and on the ground interventions at the landscape level.

Describe the project’s incremental reasoning for GEF financing under the program, including the results framework and components.

In the absence of the proposed project, development activities which are sectoral and fragmented in nature, will continue without a focus on sustainability and long-term planning. This proposed project under the FOLUR will bring focus on the integration and coherence among these disparate efforts to bring transformations in Ghana’s cocoa landscapes and mainstream them into national plans and strategies in particular linking production and conservation at the landscape level.

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<sup>19</sup>[https://www.idhsustainabletrade.com/uploaded/2018/08/Implementation\\_Plan\\_CFI\\_Ghana\\_070818\\_printversion\\_final2.pdf](https://www.idhsustainabletrade.com/uploaded/2018/08/Implementation_Plan_CFI_Ghana_070818_printversion_final2.pdf)

<sup>20</sup> <https://www.ghanaredddatahub.org/ecozone/details/1/>

The incremental reasoning emphasizes the added value of GEF resources, as the proposed project using Ghana's GEF-7 STAR and IP incentive resources (US\$12.75 M) complements strong baseline investments from the World Bank IDA portfolio in the cocoa landscapes [FIP (US\$10M), DGM (US\$10 M), DGM (US\$3M)] and, the upcoming new IBRD Enclave Cocoa project (US\$100 M) under preparation<sup>21</sup> (see section on baseline investments). Project design interventions are expected to support mobilization of the private sector, essentially cocoa and chocolate companies (members of WCF) who are also signatories of the Cocoa & Forests Initiative (CFI). This project will accelerate and focus the investments being made under CFI by the private sector. More specifically, the proposed project will build-up upon the efforts being made by the FIP to ensure restoration and sustainable management of forest reserves; increase trees and enhance carbon stocks in the farming systems to promote sustainable cocoa and agriculture practices; and rehabilitate mined-out sites.

GEF support will contribute towards removing key barriers associated with increased investments in sustainable production practices and support systems, governance processes to enhance participation in comprehensive land use and restoration planning, and environmentally-sustainable food and commodity value chains.

GEF support will address existing gender gaps in terms of the limited access that women have to productive resources, services and employment opportunities; and invest in their technical and leadership skills so that they can participate in decision-making and fully benefit from the project's interventions.

As designed the project objective is to promote landscape level restoration to improve food and ecosystem services in Ghana's cocoa landscapes. The project will be structured around the following four components, (1) Strengthening Integrated Landscape Management Systems and Governance, (2) Support to Sustainable Food Production practices, (3) Forest and Landscape restoration, (4) Knowledge, Monitoring and Project Management. The key outcomes will be measured through a framework of outcome and output indicators including: (i) Area of land restored in hectares, (ii) Area of reduced deforestation from cocoa expansion in hectares; (iii) Areas under improved management practices; (iv) GHG emissions avoided from cocoa expansion in targeted landscape; and (iv) Number of direct beneficiaries disaggregated by gender.

Significantly, this proposed project will advance the global environmental sustainability agenda by demonstrating new integrated models of sustainable commodity production, biodiversity conservation and landscape restoration at the jurisdictional level. Specific interventions will include a mix of improved climate-resilient seed varieties, improved water harvesting, agroforestry, silvopasture, contour bunding, organic composting, zai pits, riverbank restoration, farmer-managed natural regeneration, crop rotation and intercropping, slash and mulching, ridging, vegetative barrier planting, cover cropping, dry season gardening, sustainable fire management, among others. These techniques have been tested and proven under earlier investments under FIP and Sustainable Land and Water Management Project. Working with the COCOBOD, private sector cocoa buying companies, and smallholders this project will adapt and replicate successful approaches across the cocoa landscape in the Pra Basin. These models can also contribute to the global program through replication in nearby West and Central Africa, as well as globally for cocoa and a range of other globally-relevant commodities.

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<sup>21</sup> The baseline investments are larger operations and estimates for co-financing are based on realistic linkages to these larger operations.

The proposed project will generate the following global environmental benefits: 115,000 ha of land restored; 75,000 ha of landscapes under improved management practices; and 8 MtCO<sub>2</sub>e GHG emissions mitigated within the targeted landscapes. Besides carbon, interventions would increase the biodiversity value of these landscapes and mitigate erosion, thus contributing to a highly productive landscape with high ecosystem values. Particularly, given that the Pra River Basin also delivers water to major cities in the South of Ghana. Notably, these interventions are easy to scale up to other cocoa areas and could be replicated in the other 85 districts (around 8 Mha) in the same cocoa zone ensuring replicability.

Engagement with the Global / Regional Framework (*maximum 500 words*)

**Describe how the project will align with the global / regional framework for the program to foster knowledge sharing, learning, and synthesis of experiences. How will the proposed approach scale-up from the local and national level to maximize engagement by all relevant stakeholders and/or actors?**

The Global framework of the IP financed under the global coordination grant will convene diverse stakeholders, leverage existing coalitions and investments and, advocate for policy and action changes at subnational, national up to global levels. The project will use the IP incentive to support participation in and contribute meaningfully to activities and events of this global platform.

Participation in this platform will assist Ghana to link to global coalitions and benefit from knowledge management (global, regional, thematic), through knowledge sharing, leverage knowledge more widely, and exchanging experiences with a global coalition of partners. Ghana's participation in the global Bonn Challenge and African AFR100 offer additional opportunities for broader knowledge exchange and peer connection on similar issues. As a result, Ghana's existing cocoa innovation platforms and multi-stakeholder dialogues will be strengthened, and the project will ensure that knowledge is transferred into the local & national government's action plans for scaleup and replication.

Ghana's engagement with the COCOBOD, WCF and as signatory to the CFI provide strong opportunities for transfer of knowledge and lessons learned widely across the industry, developing collaborative partnerships and, in enhancing private sector engagement in sustainable cocoa value/supply chains

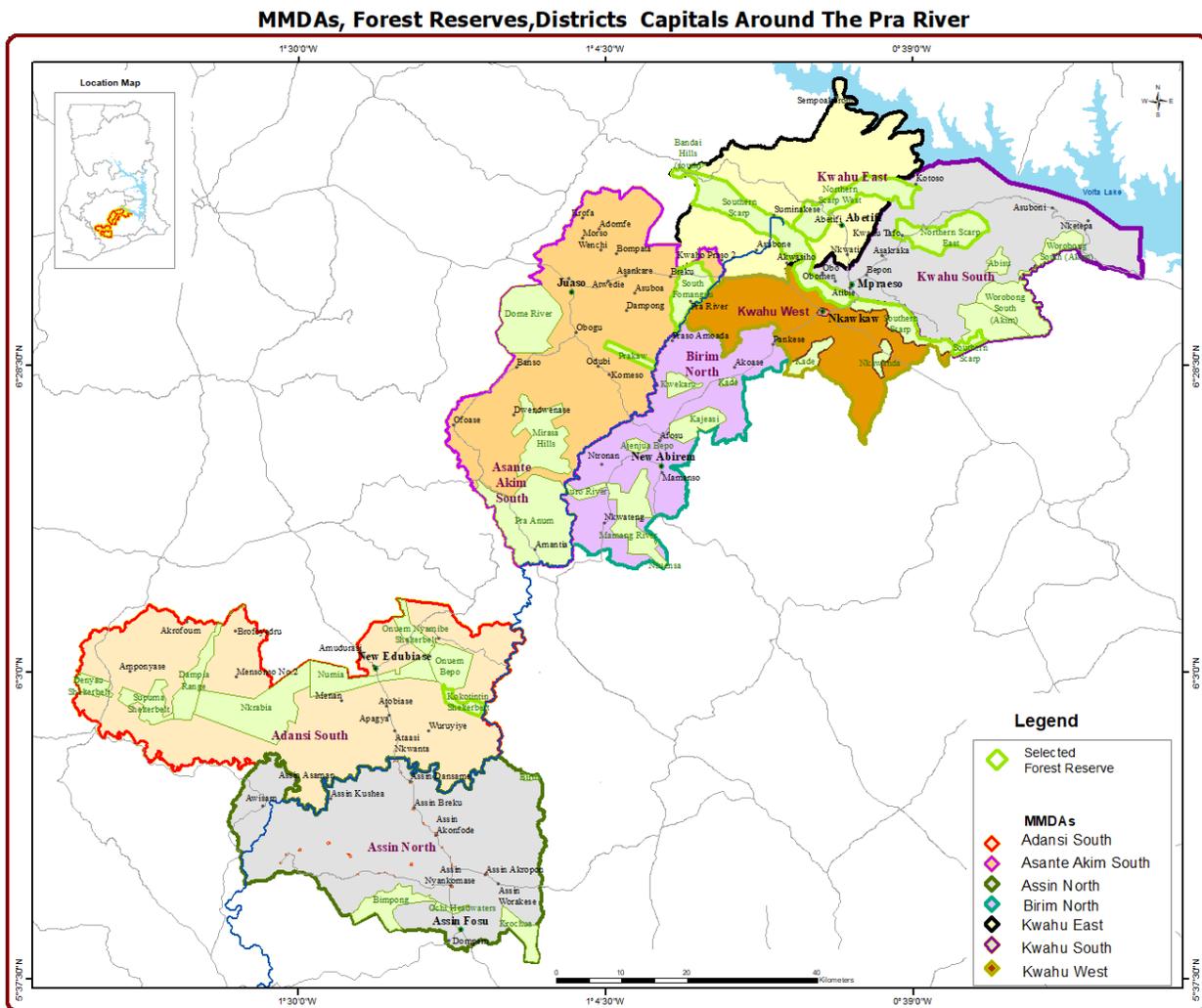
Overall, Ghana's participation under the IP will strengthen its efforts in promoting environmental sustainability together with transformation of land based economic activities to accelerate the transition to sustainable livelihoods for the almost one million smallholder farmers who grow cocoa and to improve food security through contributing to sustainable food systems globally.

Additionally, to maximize stakeholder engagement, the design of the project proposes interventions at the local level which are expected to lead to upscaling at the national level through:

- *Promoting sustainable food systems:* (i) Understanding impacts of the prioritized value chains on the Pra River Basin; (ii) improving yields of staple food crops and produce for the market, resulting in increased food security and resilience to shocks; (iii) Improving climate resilient legume crops (for example) to provide increased protein sources, contributing to improved nutrition.

- *Maintaining the integrity of the globally significant landscape through a focus on deforestation:*
  - (i) Improving cocoa productivity, (ii) Increasing shade trees on cocoa farms; (iii) Investments in climate smart cocoa farm approaches (including alternative livelihoods); (iv) Decreasing cocoa-driven deforestation and related emissions; (v) focus on social and environmental safeguards
- *Promoting large-scale restoration of degraded landscapes:* (i) improving agro-ecosystem goods and services and reducing their vulnerability to climate change and other human-induced impacts thereby contributing to LDN; (ii) addressing direct drivers of habitat destruction to protect habitats and species, including on cocoa-driven deforestation and forest degradation; (iii) Implementing multi-stakeholder integrated landscape management approaches to mitigate impacts on ecosystems and their services;( iv) Monitoring of impacts of restoration on ecosystems and their services.

**Annex : Map of the Proposed Project Target Areas**



Guatemala

## GEF-7 CHILD PROJECT CONCEPT

**CHILD PROJECT TYPE: Full-sized Child Project**

**PROGRAM: IP FOLU**

<b>Child Project Title:</b>	Promoting sustainable landscapes in the Motagua River Watershed
<b>Country:</b>	Guatemala
<b>Lead Agency</b>	UNDP
<b>GEF Agency(ies):</b>	
<b>Total project cost (GEF Grant):</b>	\$11,162,802
<b>Total Cofinancing:</b>	\$60,000,000

### PROJECT DESCRIPTION

#### 1 Country Context

**Describe the country's relevant environmental challenges and strategic positioning relative to the systems transformation proposed for the program, including relevant existing policies, commitments, and investment frameworks. How are these aligned with the proposed approach to foster impactful outcomes with global environmental benefits?**

Guatemala covers an area of 108,889 km<sup>2</sup> and has a population of approximately 17.5 million people, and despite having the largest economy in Central America, has one of the highest inequality rates in Latin America. Fifty-nine percent of Guatemalans live in impoverished conditions.

Guatemala faces multiple environmental challenges including biodiversity loss, land degradation, and deforestation, which have been driven by high demand for land, unequal land rights, high levels of population growth, unemployment, and insecurity and inequality related to land and income distribution. Additionally, ill-advised public policies and instruments, such as uneven access to land, agricultural incentives and trade, and industrial development, have further sidelined interest in the protection of the environment and the sustainable production of environmental goods and services.

Guatemala lost approximately 92,880 hectares (ha) of forest annually between 1991 and 2010 principally to agricultural expansion. The country is also experiencing accelerated soil degradation and a high use of agrochemicals to compensate for the loss of soil productivity. Non-sustainable agriculture is the main cause for soil degradation and it is estimated that 15% of the land is overused; each year the country loses between 149 and 250 metric tons of arable land. In addition, 12% of the national territory is also under threat of desertification. Guatemala is also home to 1,246 known species of amphibians, birds, mammals, and reptiles, and 8,681 species of plants, 13.5 percent of which are endemic. Nevertheless, the overexploitation of natural resources has resulted in the loss of biodiversity and environmental services, which is reflected by the loss of 15% of the national forest cover; more than 300 animal and plant species are considered threatened or endangered.

Guatemala's economy largely depends on the production of basic goods primarily derived from the agricultural sector. In 2016, agricultural land as a share of land area for Guatemala was 36%; agriculture contributed around 10 percent to the GDP. Traditional agricultural exports include coffee, banana, cardamom, palm oil, and sugar. Guatemala is the 6<sup>th</sup> largest producer of palm oil in the world (740,000 tons produced and 712,000 tons exported in 2018) and the 11<sup>th</sup> largest producer of green coffee with a projected production of 3,890,000 60-kg bags of coffee for 2019 (3,605,000 bags exported). African oil palm plantations increased from 38,094 ha in 2005 to 93,513 ha in 2010; between 2001 and 2006, 24,172 ha of forest were removed. From 2003 to 2013, coffee production levels increased by 14% nationally. Non-traditional agriculture exports includes snow peas, green beans, vegetables, and fruits. Guatemala has great potential for expanding its agricultural production, which would lead to rural economic growth, poverty alleviation, and food security.

Current Guatemalan policies related to biodiversity, land degradation, climate change, and food production systems include: a) National Policy for Conservation and Improvement of Environmental and Natural Resources (2007), which defines standards for conservation and sustainable use of forests and inclusion of forests and prioritized areas for reforestation as key elements of land use plans; b) National Policy for Biological Diversity and its Action Plan 2011-2020, which promotes the restoration and reforestation of degraded areas and the conservation of biodiversity; c) Forest Landscape Restoration Strategy (FLRS) 2015-2045, which promotes economic development through restoration of the forest landscape, improve the wellbeing of humans and biodiversity, and enhance institutional capacity and land governance; d) National Climate Change Policy (2009) and Framework Law (2003) for reducing GHG emissions and enhance resilience of biological corridors, forest ecosystems, and the agricultural and other sectors, to ensure food security; e) Agricultural Policy (2011-2015; still in effect) to improve the competitiveness of rural producers and their capacity for negotiating in national and international markets; and f) Municipal Code (1999), which mandates land use planning at the municipal level and favors the decentralization of forest management.

The above policies, which are still in effect, are part of Guatemala's response to its commitments under the Convention on Biological Diversity, the United Nations Convention to Combat Desertification, the United Nations Framework Convention on Climate Change, the Sustainable Development Goals/ 2030, and its participation in international platforms including the Bonn Challenge (with a country commitment to restore 1.2 million ha of deforested and degraded areas), the Global Partnership of Forest and Landscape Restoration, and the "4 per 1000": Soils for Food Security and Climate Initiative. In addition, an investment strategy has been outlined to respond to these commitments and to overcome the environmental challenges the country is facing. National and municipal budgets, international cooperation, and multilateral and bilateral loans are part of the investment strategy to overcome these challenges.

Guatemala is strategically positioned to contribute to the transformational change proposed by the FOLUR IP by: a) promoting sustainable food systems for coffee and palm oil and secondary support to other food system crops (maize, peas, and bananas), and catalyzing investment opportunities to scale-up production models with environmental and social benefits; b) promoting deforestation-free commodities by making available incentives and market mechanisms for sustainable production of palm oil, coffee, and other food systems, and implementing a socio-environmental business model conducive to environmental certification (e.g., High Conservation Value) while preventing the encroachment of oil palm and coffee plantations into high conservation value forests (HCVF); and c)

restoring degraded lands by making financial incentives (e.g., PINPEP and PROBOSQUE) and market mechanisms (favorable credit and access to markets) available to producers to support the implementation landscape management tools. This will be framed within an integrated landscape management (ILM) approach at the national, subnational, and local levels and with the necessary institutional and governance capacities, and land use planning tools to enable implementation. Multiple environmental benefits will result from implementing this strategy in a production landscape in the Motagua River Watershed (MRW) that will deliver 25,000 ha of land restored, 20,000 ha of landscapes under improved practices (excluding protected areas), 21,414,586 tCO<sub>2</sub>-eq of GHG emission mitigated over a 20-year period, and improved habitat for key biodiversity species.

## 2 Project Overview and Approach

- a) Provide a brief description of the geographical target(s), including details of systemic challenges, and the specific environmental threats and associated drivers that must be addressed;

The project will be implemented in a production and conservation landscape covering 332,014 ha within the MRW (1,511,100 ha) in southeastern Guatemala), with specific activities implemented in 45,000 ha. A map of the prioritized landscape is included as Annex B. Economic activities within the MRW are important for the local and regional economies and land use is primarily oriented towards agricultural activities; in the middle and upper portions of the watershed, vegetables, fruit products, and coffee are cultivated; in the lower part of the watershed, agribusiness activities (sugar cane, oil palm, bananas) are the most common, along with cattle-ranching. Throughout the entire watershed, subsistence agriculture (mainly the production of basic grains) is practiced. Oil palm plantations cover 15,354 ha and coffee plantations cover 19,294 ha; in addition, there are eight protected areas.

The prioritized landscape faces multiple systemic challenges including: a) a production culture based on the use of non-shaded coffee, threatening HCVF and protected areas; b) economic policies that promote the expansion of oil palm, driving deforestation; c) small coffee farmers and producers that lack knowledge and incentives to implement sustainable production practices; d) lack of market incentives for sustainable production of palm oil and limited technical assistance for land restoration and conservation; and e) environmental authorities and municipalities have limited land use planning and management and monitoring capacity to integrate biodiversity conservation, SLM, and CCM, and to promote sustainable food production practices and responsible value chains.

The MRW faces multiple threats including: a) habitat loss through deforestation with an annual rate of 1.5% (approximately 17,400 ha per year), the projected deforestation in the prioritized landscape over the next 20 years is 14,650 ha; b) surface water and groundwater pollution from unmanaged solid waste, wastewater, and agrochemical by-product disposal; the improper use of chemicals and agrochemicals has also led to the degradation of soils; d) reduced water flows and drying up of tributaries; and e) erosion, which affects water quality in most municipalities. In addition, the MRW has been affected by drought, tropical storms and hurricanes, and floods, as well as by desertification, the latter in the southwestern portion of the watershed that is part of Guatemala's dry ecosystem corridor.

The main drivers of environmental degradation in the MRW are: a) high unemployment rate in the rural areas driving deforestation; b) Institutional weakness: limited capacity of public institutions at

the national and local levels for environmental planning and management, and to enforce related regulations; there is also limited coordination among the and responsibilities are scattered among multiple agencies; and d) public policies, which historically have been oriented exclusively towards development of farming, including encouraging farming activities in ecologically sensitive areas.

The Social Institutions and Gender (SIGI) Index score for Guatemala is 0.1318 (2014), which places the country in the medium category for gender equality. In Guatemala, decision-making in the agricultural sector is usually done by men; it is estimated that only 14% of workers in this sector are women. Women in Guatemala face several barriers that prevent their participation in environmental and food production initiatives, including limited access to land (the percentage of women owning land is only 15%), limited capacity and support for organization (it is estimated that only the 8% of organized women groups have legal recognition), limited access to information and training, and scarce representation in public decision-making spaces (e.g., Departmental, Municipal, and Community Development Councils). In the targeted landscape, the proportion of men to women is 50.56% to 49.44%, respectively. 33% of women are involved in the coffee production chain, mainly in harvesting and seedbed management), and 10% to 15% of women work in the palm oil production chain, mainly in seed collection, nurseries, administrative, and human resources activities, as well as in soil and foliar laboratories.

b) Describe the existing or planned baseline investments, including current institutional framework and processes for stakeholder engagement and gender integration  
Baseline investments are valued at \$60,100,000 USD for a 7-year period. These include:

- Two MARN-UNDP-GEF projects with which the project proposed herein will build synergies and complementarities: Sustainable and resilient landscapes in the central volcanic chain (2018-24, \$11.1 million) and Integrated environmental management of the Río Motagua Watershed (2018-2022, \$5.3 million).
- Government investments (\$9 million): INAB will continue to protect and restore forests inside the proposed landscape through the PINPEP, PROBOSQUE financial incentives; CONAP will strengthen PAs and their buffer areas and will promote biodiversity conservation in production lands; MARN will invest in watershed and soil management, and climate change mitigation; and SEGEPLAN will continue to provide support for the development of PEI-POM-POA and PDM-OT in the municipalities.
- Investments from local governments (\$5.0 million): investments from municipalities will be directed to development PEI-POM-POA and PDM-OT, to ensure a sustainable supply of water by protecting forests in headwater areas and riparian areas.
- Investments from NGOs (\$4.5 million) including Defensores de la Naturaleza, FUNDAECO, and Rainforest Alliance will complement national and local government actions and will be framed within the goals of the National Restoration Roundtable and for the conservation of biodiversity and certification of best production practices.
- Three IUCN projects are aligned with this initiative: Building livelihood resilience to climate change in the upper basins of Guatemala's highlands (GCF-KOICA 2020-27, \$4 million); Regional coastal marine biodiversity conservation, with actions in the Honduras-Guatemala border (USAID 2018-22, \$10 million); and Linking the Central American landscape (2019-24, \$1 million).
- The KFW Development Bank will invest in promoting sustainable agriculture and climate adaptation in the Dry corridor (2016-22, \$10.2 million).

The current institutional framework for promoting sustainable food systems, deforestation-free commodities, and the restoration of degraded lands include the MARN, MAGA, INAB, CONAP, and SEGEPLAN. At the local level, all administrative responsibility falls upon the Municipal Council. The private sector includes financial institutions (BANRURAL, BAC, and credit cooperatives), associations of producers of coffee (ANACAFE) and palm oil (GREPALMA), and independent producers of these and other food products, which include members of local communities. Commercial agreement will be established between producers and national and international buyers of coffee (Nestle, Tim Horton, and Starbucks) and palm oil (AgroCaribe, Unilever, Nestle, Cargill). It is noted that MARN signed in 2017 a Memorandum of Understanding with the palm oil company AgroAmerica and the NGO Solidaridad regarding sustainable landscape and restoration in the frame of the Bonn Challenge goals. In addition, AgroCaribe (part of AgroAmerica) has issued its own no-deforestation policy, considering HCV certification and the reduction of GHG emissions. These experiences of the private sector will be considered and will contribute to strengthening the institutional framework of the project.

Municipal Offices for Women operate within municipalities and are responsible for preparing and implementing municipal policy proposals based on the National Policy for the Promotion and Development of Women. In addition, the Municipal Offices for Women and Women's Commissions of the Municipal Development Councils provide advice to the Municipal Councils regarding making investments through the municipal budget to address gender issues and to empower women at the local level. However, not all municipalities have Municipal Offices for Women or Women's Commissions within the Municipal Councils, and gender has not been effectively mainstreamed into all local Development and Land Use Plans (PDM-OT), Institutional Strategic Plans, Multiannual Work Plans, Annual Work Plans (PEI-POM-POA), or micro-watershed management plans. In addition, the Gender and Environment Technical Group, which includes representatives from MAGA, CONAP, MARN, and INAB, provide for gender mainstreaming.

Processes for stakeholder engagement included consultations with government agencies, civil society, and the private sector. A project results framework workshop (PRF) to define project strategy was conducted with the participation of representatives of MARN, CONAP, MAGA, INAB, and SEGEPLAN. In addition, inputs to the RFP were received through consultations with representatives from NGOs (FUNADAECO, Defensores de la Naturaleza, and Rainforest Alliance). Meetings were also held with the private sector, in particular with ANACAFE, GREPALMA, and palm oil company AgroCaribe to inform them about this initiative and to build their commitment for their participation in the project. Consultation will continue during the PPG phase of the project and will include engaging other government agencies, the private sector, financial institutions (BANRURAL, BAC, and credit cooperatives), and consultations at the local level with municipalities, and producers and producers associations (including women groups).

A gender analysis will be carried out during the PPG phase of the project, considering the Women Integral Development National Policy guidelines (2008-2023) and UNDP and GEF guidelines. The project will strengthen capacities and provide support to women's groups (NGOs, private associations, and cooperatives) in the production value chains of palm oil and coffee. The project will empower women by promoting their participation in decision-making in relation to the sustainable production of palm oil and coffee. During the development and/or updating of local Development and Land Use Plans (PDM-OT), micro-watershed management plans, and other tools

for territorial and sectoral planning, the participation of women and youth will be promoted. Their participation will also be encouraged during the implementation of these plans through committees or boards of directors that include women. The project will make use of existing government structures at the municipal and ministerial levels, with a mandate to promote gender equality and the empowerment of women to implement policies related to the environment, gender, and sustainable development. When these structures do not exist, particularly at the local level, their establishment will be supported. The project will work closely with two existing commodity platforms for palm oil (GREPALMA) and coffee (ANACAFE), which have expressed their interest in developing their own gender and youth equality policies. UNDP and IUCN will ensure the incorporation of their respective corporate strategies of gender equality during project implementation, which will be detailed in a Gender Action Plan to be developed during the PPG phase, and which will include specific gender indicators. In addition, a Stakeholder Engagement Plan will be developed following a stakeholder analysis, which will allow key stakeholders who have a strong interest in or ability to influence the project to be identified and documented (e.g., NGOs, private sector associations, farmers cooperatives). The stakeholder participation in the project will be outlined and their roles will be clearly defined.

- c) Describe how the integrated approach proposed for the child project responds to and reflects the Program's Theory of Change, and as such is an appropriate and suitable option for tackling the systemic challenges, and to achieve the desired transformation with multiple global environmental benefits (GEBs)

The Global Impact Program's Theory of Change seeks child project alignment along four main pathways of change that are conducive to: a) reducing degradation and deforestation; b) increasing resilience by ensuring ecosystem services; c) improving production practices; d) strengthening or clarifying mandates, policies and incentive schemes; and e) increasing private sector investments in sustainable practices and responsible value/supply chains. This project will contribute to each of these short-term outcomes by driving change across the landscapes of the MRW where palm oil and coffee commodities are integrated with protected areas, HCVF, degraded areas and rural communities, and where governance mechanisms exist that can be strengthened and deployed in order to achieve ILM and sustainable production models, at scale. This strategy will contribute to overcoming systemic challenges that the prioritized landscape faces.

To achieve ILM under the Impact Program's Component 1, the project will support ongoing efforts to strengthen territorial governance through development councils, municipalities and micro watershed committees, as well as through national platforms (restoration roundtable and private sector associations/unions). These efforts will foster gender-sensitive multi-stakeholder engagement at the landscape level and integrate production, conservation /restoration and resiliency objectives in instruments such as micro watershed management plans, municipal development and land use plans, and commodity sector business /management plans. Increased coordination and collaboration between line Ministries will also serve to analyze improvements to relevant policy, regulatory and institutional frameworks for ILM in order to achieve FOLUR objectives. Restoration and conservation priorities at the watershed level will also be agreed in this Component in order to orient the work with commodity sectors, staple food producers and forest owners and smallholders under Components 2 and 3. Component 1 will allow to overcoming limitations among environmental authorities and municipalities regarding land use planning and management and

monitoring capacity to integrate biodiversity conservation, SLM, and CCM, and to promote sustainable food production practices and responsible value chains. In addition, it will define guidelines for sustainable food production that will be conducive to preventing the expansion of oil palm, limiting deforestation.

In line with the Impact Program's Component 2, the project will provide technical assistance and increased access to financial resources in order to promote sustainable production models. It will mobilize existing and under-utilized government financial mechanisms (forest incentive programs and coffee trust fund) to facilitate the uptake of agroforestry systems (including high diversity shade-grown coffee) and crop diversification schemes. Private financing will also be made available by working with credit unions (credit cooperatives) and commercial banks in the development of "green credits" at preferential rates. Also, in line with the global Component 2, the project will seek private sector agreements for increased investment in sustainable practices and access to sustainable markets, including support for the inclusion of small and medium-sized producers in responsible value/supply chains using certification schemes and verification against official standards /guidelines for good practices. Marketing avenues that highlight the MRW's conservation values will also be explored in order to position sustainably produced coffee globally. Lastly, a spatial verification system of land use change will be tested for the palm oil and coffee production units included in the project. Component 2, will allow overcoming small coffee farmers and producers lack of knowledge and access to incentives to implement sustainable production practices.

In contribution to the Impact Program's Component 3, the same public forest incentive mechanisms will be accessed to promote both the protection of remnant HCVF and restoration of degraded lands, including riparian forests, in key watershed areas. These incentives will facilitate the adoption of land management tools that increase the resiliency and biodiversity-richness of food production systems and increase connectivity. Forestry nurseries across the MRW will provide seedlings for restoration undertaken through landscape management tools, which will pro-actively involve women's groups. Conservation agreements with commodity sectors will also be sought, together with the uptake of a compensation manual and guidelines for reducing threats to biodiversity, freshwater systems and soils in production landscapes. A monitoring, control and surveillance, and conflict resolution program will be rolled out in order to avoid encroachments into protected areas and facilitate the conservation of key endangered and threatened species. A local payment for water services scheme will also be piloted to demonstrate how conservation can bring both social and environmental benefits. Component 3 will contribute to overcoming the lack of market incentives for sustainable production of palm oil and limited technical assistance for land restoration and conservation and will promote a shift of in the production culture based on the use of non-shaded coffee to the use shaded coffee and agroforestry reducing threats to existing forest, including HCVF, and protected areas.

Overall, the extent to which sustainable, climate-smart, deforestation-free and gender-sensitive production practices and restoration actions contribute to biodiversity conservation and reduced CO<sub>2</sub> emissions (through carbon sequestration and avoided deforestation /degradation) will be measured in Component 4. Novel monitoring approaches will be piloted by promoting a participatory environmental monitoring scheme with local communities and applying the IUCN's new methodology for estimating the return on investments in restoration using a biodiversity metric. The project will engage through the FOLUR global platform and the UNDP Green

Commodities programme with countries and external platforms as a way to scale results and impact the broader food system. In addition, the project will become one of the members of the Green Commodities Community administered by UNDP and will support the active engagement of the project team in the community, along with government counterparts and key project stakeholders, so that they may connect with the other FOLUR-participating countries to learn and share relevant lessons. Component 4 will also raise national awareness and learning about mainstreaming biodiversity, CCM, gender aspects and sustainability for scaling-up to other production landscapes. Finally, Component 4 will also deliver an information and knowledge exchange platform as well as foment south-south cooperation with countries of the region.

- d) Describe the project's incremental reasoning for GEF financing under the program, including the results framework and components.

The project will overcome multiple systemic challenges and will reduce environmental threats that the MRW currently faces by implementing an integrated landscape management strategy that will result in sustainable palm oil and coffee value chains (with secondary support to other food systems such as maize, beans and bananas/plantain), the restoration degraded ecosystems caused by non-sustainable agricultural production, and avoided forestation including HCVF due to the expansion of palm oil and coffee. This strategy is in line with the FOLUR IP objectives and will contribute to the program's long-term goal of promoting sustainable, integrated landscapes, and efficient food value/supply chains at scale.

Existing baseline investments will contribute in some measure to the integrated management of the prioritized landscape but will not be sufficient to effectively promote sustainable food systems, restore degraded ecosystems, and reduce deforestation in the MRW. There will continue to be a lack of coordination of actions and exchange of information between the public and private sectors for the implementation of environmental, land use, and sustainable food production policies and planning instruments that are conducive to ILM systems, as well as a lack of guidelines for sustainable food production and the restoration of degraded lands. In addition, the in-country capacity to promote sustainable food production practices and responsible value chains will remain limited due to the lack of financial and technical incentives for palm oil and coffee producers to shift from non-sustainable production to deforestation-free production, and for them to play a key role in efforts to conserve and restore ecologically sensitive areas that have been degraded due to current production practices. The availability of effective knowledge management and communication mechanisms to inform producers about gender-sensitive solutions and best practices for sustainable value chains will continue to be limited, preventing opportunities for replication and scaling-up. Accordingly, the Government of Guatemala is requesting funding from the GEF through the FOLUR IP incentive in conjunction with biodiversity, land degradation, and climate change mitigation STAR allocations to promoting sustainable food systems, restoring degraded ecosystems, and reducing deforestation in the Motagua River Watershed (MRW) and delivery of GEBs. The project strategy consists of four interrelated components as follows:

Component 1. Development of integrated landscape management (ILM) systems. Through this component, the GEF alternative will allow the strengthening of the institutional and territorial planning framework for the implementation of sustainable food production practices (through Componente 2) and the conservation and restoration of natural habitats (through Componente 3) in a selected landscape. Project actions will result in strengthened governance at the national, private

sector, and local levels to plan for and implement ILM. This will include enhanced coordination of actions, exchange information, and defining guidelines for sustainable food production and the restoration of degraded lands between key government agencies (MAGA, MARN, CONAP, and MINECO). Existing commodity platforms (GREPALMA and ANACAFE) and the National Restoration Roundtable will also be strengthened by the establishment of agreements the government and civil society to enhance collaboration and the exchange of environmental and production information that will support the implementation and monitoring of sustainable production of palm oil, coffee and conservation of forest including HCVF. At the local level, the project will strengthen the governance of 24 municipalities for developing ILM systems; this will be achieved by supporting their efforts for strategic land use planning through PDM-OTs and for prioritizing investment through programmatic planning (PEI-POM-POAs) in sustainable food systems, the restoration of degraded ecosystems, and the reduction of deforestation to ensure a sustainable supply of water. This will be complemented with the development of five (5) micro-watershed gender-sensitive management plans that will harmonize the conservation of natural resources with palm oil, coffee production and other food production systems, and the development of a gender-sensitive mechanism for strengthening development councils at the subnational, municipal, and community levels, as well as local associations for the management of the MRW and micro-watersheds. Finally, the development of a restoration priority maps for the MRW will allow informing and prioritizing restoration investments through Component 3.

#### Component 2. Promotion of sustainable food production practices and responsible value chains.

Through this component, the GEF alternative will allow increasing the resources available for local producers to implement sustainable food production practices and responsible value chains. This will be achieved by facilitating access to existing national public incentives (PINPEP, PROBOSQUE, national coffee trust fund) and loans from financial institutions (BANRURAL, BAC, and credit cooperatives). To this end, the project will implement a program of technical assistance for producers that will include support for developing farm management plans and a socio-environmental business model that will facilitate access to financial incentives and to environmental certification (e.g., HCV and RSPO), respectively. This will be complemented with a gender-sensitive capacity development program so that they will be able to implement deforestation-free practices and for the marketing of sustainable products. The capacity development program will also be directed to build the necessary skills and knowledge of public institutions and the private sector for developing development of ILM systems through Component 1 and for control and monitoring purposes related to sustainable food systems, restoration, and verification of deforestation-free commodities. The implementation of best production will result in the sale of coffee and palm oil to companies whose corporate standards allow only to purchase deforestation-free commodities or commodities grown under sustainable practices. In support of this outcome, the project will facilitate the establishment of commercial agreements between national and international buyers of coffee (e.g., Nestlé, Tim Horton, Starbucks) and palm oil (e.g., Agrocaribe, La Francia, Unilever, Nestlé, Cargill) and national producers for the development of sustainable value chains; and the development of marketing model for “coffee of origin” label grown in the MRW. To verify that palm oil and coffee farms that are participating in the project are free of deforestation, a spatial verification system will be operationalized within the Forest and Land Use Interinstitutional Monitoring Group that was established within the framework of Guatemala’s REDD+ strategy.

Component 3. Conservation and restoration natural habitats. This component will allow the implementation of landscape management tools (LMTs), which include micro-corridors, enrichment of the forests, hedges, live fences, wind barriers, and agroforestry, allowing to restore 25,000 of degraded lands (10,981,735 tCO<sub>2</sub>-eq sequestered through LMT over a 20-year period) and enhancing ecosystem connectivity between forest remnants in production landscapes and HCVF, contributing to the conservation of threatened species (the jaguar, the highland Guano, and the endangered endemic lizard *Heloderma charlesgoberti*). The implementation of LMTs will include establishing conservation and best production practices agreements with producers and establishing 10 municipal, community (including women groups), and private nurseries that will provide the necessary germplasm. At least fifty (50) farm management plans will be developed to access PINPEP and PROBOSQUE incentives, which will provide the needed financial resources for restoration activities through LMTs. The conservation of natural habitats will also include the implementation of a monitoring, control and surveillance, and conflict resolution program to mitigate progress of the agriculture frontier towards protected areas and facilitate the conservation of endangered and threatened species, and of guidelines to reduce threats to biodiversity, freshwater systems, and soils in production landscapes, including pollution from chemicals and waste released to the environment by palm oil and coffee production activities, and from other food systems. To assist the MARN in establishing a compensation mechanism for environmental impacts that may result from food production system, the project will develop a compensation manual associated to the environmental guides of good practices for the production of palm oil and coffee, and will provide secondary support to other food systems such as banana/plantain and livestock, so that degraded ecosystems can be restored and conserved. Finally, a payment for water services scheme will be piloted in Sierra Caral region of the MRW that will contribute to forest and biodiversity conservation, including six species of endemic amphibians.

Component 4. Project Coordination and M&E. Through this component, the project will generate a set of knowledge management (KM) products around the experiences of promoting deforestation free commodities, sustainable food crops, and restoration across landscapes. These KM products will contribute to the FOLUR community of practice. There will be exchanges with other FOLUR projects, particularly with similar situations, such as same commodity. Project teams will actively participate in the FOLUR community of practice and, along with government counterparts represent the project in global fora. This will also include contributing lessons to the FOLUR Global Platform and its KM efforts both across FOLUR and directly to the wider commodities and food system community. This component will also include the implementation of a participatory monitoring system to assess the project's environmental benefits with multiple tools, including the training of local stakeholders, including women's groups, in environmental monitoring methodologies and the use of tools. Finally, this component will allow the implementation of a project gender mainstreaming plan and M&E plan implemented, including the development of manual on mainstreaming gender in sustainable food production systems.

3 Engagement with the Global / Regional Framework

**Describe how the project will align with the global / regional framework for the program to foster knowledge sharing, learning, and synthesis of experiences. How will the proposed approach scale-**

**up from the local and national level to maximize engagement by all relevant stakeholders and/or actors?**

Through Component 4 the project will exchange knowledge about solutions and good practices with the FOLUR Global Platform, the Good Growth Community of Practice; the Conference of the Parties of the Convention on Biological Diversity, the Panorama Portal “Solutions for a Healthy Planet” and other global events and communities of practice.

The project will engage through the FOLUR global platform and the UNDP Green Commodities programme with countries and external platforms as a way to scale results and impact the broader food system.

The project will become one of the members of the Green Commodities Community administered by UNDP. The project will support the active engagement of the project team in the community, along with government counterparts and key project stakeholders, so that they may connect with the other FOLUR-participating countries to learn and share relevant lessons.

The project will coordinate with the global coordination unit housed in the FOLUR global platform. This coordination will be through UNDP’s Green Commodities Programme as well as FOLUR-specific collaboration mechanisms established by the global platform.

The project will connect with similar country projects within FOLUR based on similar commodities and approaches to share resources for combined and collective knowledge management products (e.g., collective guidance on sustainable palm oil or jurisdictional approaches). These products will then contribute to FOLUR-wide knowledge products.

The project will connect to global level commodity and food supply chain initiatives and networks, primarily through UNDP’s Green Commodities Programme and Good Growth Partnership, as well as through other means offered by the FOLUR global platform. These connections will facilitate the project linking to global buyers who are interested in sourcing from jurisdictions to progress towards deforestation-free commodity production, as well as to learn the latest best practices and global market policies.

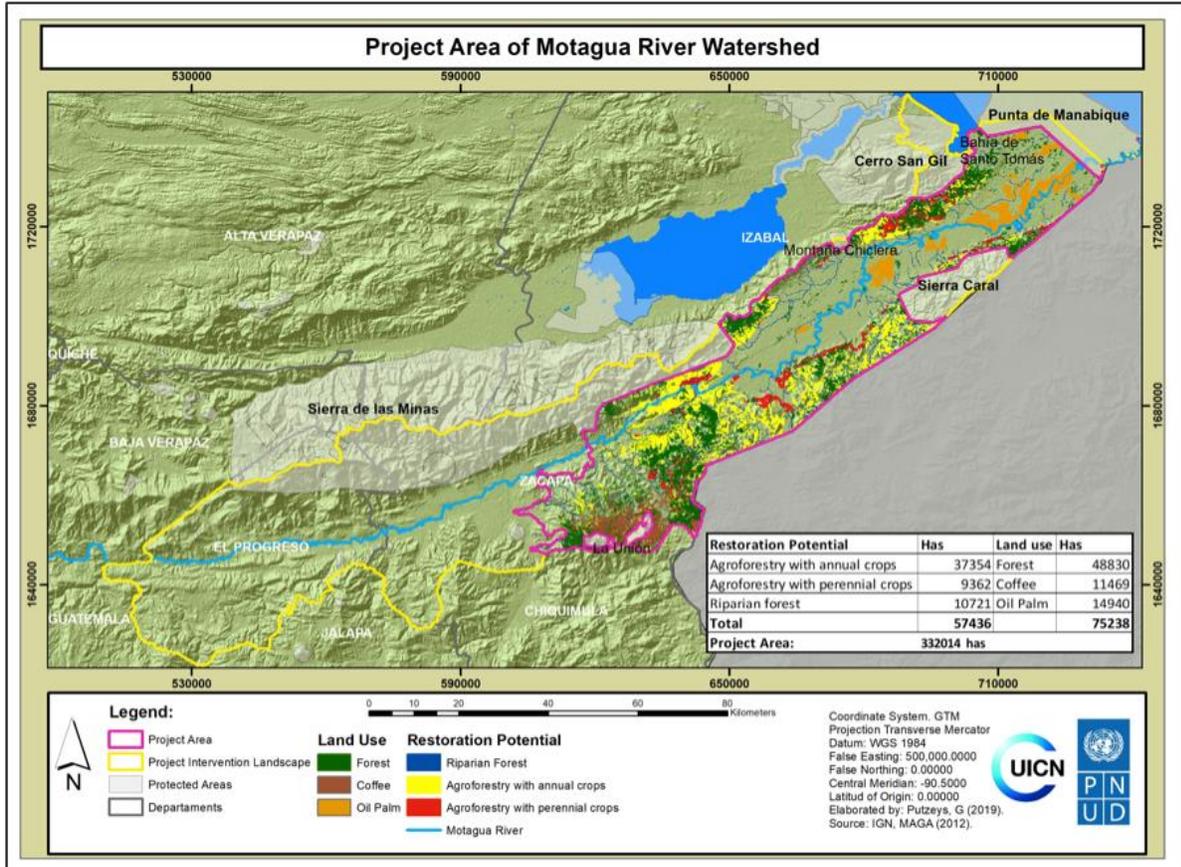
The project will provide support for team members and government counterparts to participate in and speak at global conferences of relevance (e.g., RSPO and represent FOLUR at these events).

The project will ensure that the national commodity platform supported within the project is connected to the global commodity initiatives (RSPO, WCF, ICO, GRSB, etc.) and serves as a principal forum for convening the global and national supply chain stakeholders in the country.

The project may participate in other UNDP-GEF sponsored networks that are organized for senior staff working on similar projects and in scientific and/or any other networks as part of the strategy to scaling-up project outcomes. To maximize engagement by all relevant stakeholders, the project will establish an information and knowledge exchange platform at the national level to increase awareness about the project and its outcomes, which will provide information to a south-south cooperation program for sharing knowledge on best practices and lessons learned to other countries in the region like Honduras and Mexico, which are implementing similar initiatives. In the case of Honduras synergies will be established with the GEF-UNDP International Waters project

Integrated environmental management of the Río Motagua Watershed, to exchange information making use of the a Technical Committee that will be established as a permanent dialogue and coordination mechanism for the joint management of the MRW by Guatemala and Honduras.

Annex Map of Intervention area



Indonesia

## GEF-7 CHILD PROJECT CONCEPT

CHILD PROJECT TYPE: FULL-SIZED CHILD PROJECT

PROGRAM: IP FOLU

<b>Child Project Title:</b>	Strengthening sustainability in commodity and food systems, land restoration and land use governance through integrated landscape management for multiple benefits in Indonesia
<b>Country:</b>	Indonesia
<b>Lead Agency</b>	UNDP
<b>GEF Agency(ies):</b>	FAO
<b>Total project cost (GEF Grant):</b>	\$16,163,762
<b>Total Cofinancing:</b>	\$147,471,429

## PROJECT DESCRIPTION

### 1. Country Context

Indonesia's remaining tropical forests possess globally significant biodiversity which existence is vital to the livelihoods of over 30 million vulnerable individuals living under poverty line. Yet, these mega-diverse forests are threatened by continuous deforestation and forest degradation. Forest governance is one of the biggest challenges faced by the country, intertwined with layers of nested jurisdictional systems, poverty and tenure insecurity. Additionally, competing land use priorities and allocations, especially for commodity and crop production, have led to more forest losses attributed to agricultural expansion into forests and protected peatlands. To advance the FOLUR IP global agenda, the project aims for a transformational change in commodity and crop value chains as well as land governance by significantly reducing deforestation led by expansion of oil palm, coffee, cocoa and rice nationally, and in target jurisdictions by strengthening sustainability in the value chains of these commodities and crop. The political support of Government of Indonesia (GOI) to pursue sustainable commodity and crop production, in particular, to halt ongoing deforestation by oil palm has been announced through Presidential Instruction No.8/2018 on palm oil moratorium and extensification, and Presidential Instruction No.6/2017 on moratorium on license granting on primary forest and peatland. The commitment is backed by sector specific regulations and initiatives:

- The GEF investment in GGP has enabled the recent: (1) ongoing legalization process of the National Action Plan on Sustainable Palm Oil into a Presidential Regulation, led by Coordinating Minister of Economic Affairs regulation; (2) draft Minister of Environment & Forestry Regulation on Essential Ecosystem (EE); and (3) draft Government Reg. on Life Support System as a greater umbrella for the EE protection.
- GOI has committed to achieving the SDGs (particularly goals 1, 2, 6, 12 and 15) and Agenda 2030 through Presidential Reg. No.59/2017.

- Government Reg. No.76/2008 on Forest Rehabilitation & Reclamation, and Presidential Reg. No.88/2017 on Land Conflict Resolution, and Government Reg. No.71/2014–revised through Government Reg. No.57/2016 on protection and management of peatland ecosystems.
- MoEF’s Director General of Conservation Reg. No.5/2017 on Technical Guideline on HCV Identification outside conservation/protected areas.

The project’s interventions, backed by Gol’s environmental commitments and regulations, will enable the creation or improve the management of at least 2,965,035 terrestrial protected areas outside existing conservation areas for conservation and sustainable use, and will avoid the loss of  $\geq 582,520$  ha of HCVF (10-yr estimates) through policy and on-the ground interventions, and partnership with local and international partners seeking to support sustainable supply chains. Innovative incentive mechanisms will be piloted via partnerships between companies, smallholders and local governments on sustainable agriculture supply chains and land governance. These interventions are backed by jurisdictional approaches to ensure restoration of  $\geq 20,000$  ha of degraded priority landscapes to maintain ecosystem services. The project will also pilot new tools for scaling-up e.g. a green financing vehicle; incentive mechanisms on degraded landscape restoration, social forestry in selected districts; and a jurisdictional assessment and monitoring tool to assess vertical alignment across national and sub-national policies and for replication of jurisdictional plans.

## 2. Project Overview and Approach

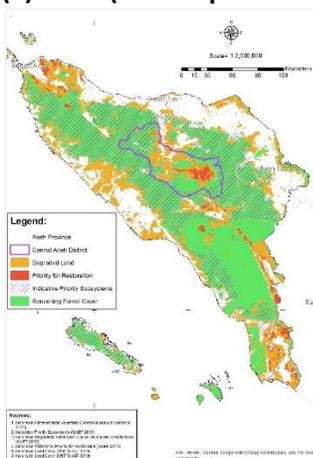
### 2.1. Target Geographies & Systemic Challenges

The project aims to foster and strengthen sustainable value chains of palm oil, coffee, cocoa and rice through implementation of a comprehensive landscape management approach integrating biodiversity conservation, restoration and production at scale. The project has selected 5 target geographies – each one corresponding to provincial administration boundary (jurisdiction) containing one key district (landscape) for pilot interventions – based on the criteria below:

1. Production landscape that remains critical for GEBs but where remaining forests are threatened by expansion of commercial commodities
2. Production landscape/system for globally important food crops or livestock that creates major externalities
3. “Frontier” landscape where opportunity exists to preempt expansion and get ahead of commercial-driven forest loss
4. Highly degraded landscape in need of restoration for the ecosystem services they provide to agriculture production

Following these criteria above, the project will work in Aceh, North Sumatra, West Kalimantan, South Sulawesi and West Papua. The total size of jurisdictions is 41.78 Mha and landscapes is 5.07 Mha. Most of these jurisdictions still have large extent of remaining forest cover expanding  $\geq 20.54$  Mha of primary & secondary forests with valuable carbon sinks. However, these forests are being threatened by expansion of oil palm, coffee, cocoa and rice. Two of the five geographies – Aceh and West Papua – are often referred to Indonesia’s “last frontiers” where potential deforestation is high mainly driven by reclassification of estate forest area to allow agriculture expansion. They also have big potential to promote LDN—of the 3 selected areas of LDN hotspots, one is within the proposed jurisdictions (North Sumatra). Globally threatened species exist in the landscapes include: Sumatran tiger, Sumatran rhino, and Sumatran/Borneo orangutan.

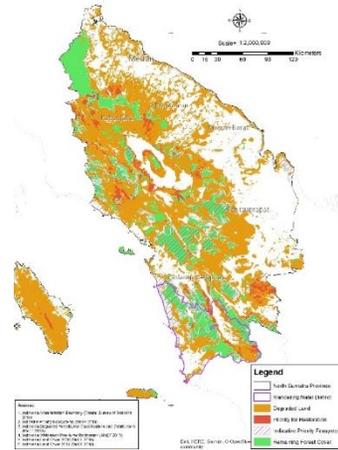
#### (a) Aceh (landscape: Central Aceh District): Aceh’s forests – one of Indonesia’s Key Biodiversity Areas –



by far contain the largest populations of Sumatran Rhino, Sumatran Tiger and Sumatran Orangutan, covering a total area of 5,685,626 ha and forest cover (2017) of 3,106,307 ha. Within the province, indicative priority ecosystem area outside CA/PA is an estimated 2,582,744 ha. These forests and critical ecosystems are threatened by ongoing deforestation and degradation; during 2006-2017, the province lost a total of 226,397 ha of forest driven by land degradation (47%), monoculture plantation mainly oil palm (33%), and mixed-dry land cultivation mainly coffee and cocoa (20%). Central Aceh District is proposed due to its vast remaining forest cover (2017) of 335,069 ha (71% of the district’s area). Indicative priority ecosystem area outside CA/PA is estimated at 283,006 ha, with potential restoration of priority area of 30,168.95 ha. The main commodity of the district is coffee (50,273 ha).

Overall, Aceh and its administrative regions still experience capacity challenges related to forest governance. At the same time, the province is granted “special autonomy” to manage its resources (production and protection functions), which complicates decision making process over land use allocations, and has led to weak linkage between national policy and sub-national implementation. However, this presents an opportunity for the project to encourage the local governments to strengthen integrated forest governance and sustainable development through adoption of a jurisdictional plan, in a

participatory manner. Landscape interventions to be pursued include a pilot business/ incentive mechanism for community-based integrated conservation coffee and land restoration. In areas where coffee plantations are located inside estate forests, social forestry interventions will be pursued through agroforestry system, accompanied by proper siting of the forest and restoration plans.

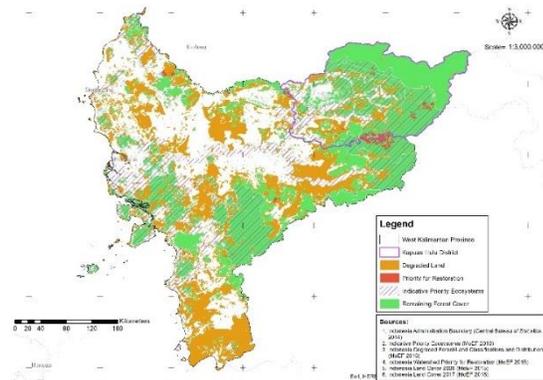


**(b) North Sumatra (Landscape: Mandailing Natal District):**

North Sumatra’s forests are also part of Indonesia’s Key Biodiversity Areas, which are home to Malayan Tapir, Sumatran Tiger and Sumatran Orangutan. Overlapping ownership claims on forest land leading to conflict between government, private sector and local community. Capacity gaps among authorities and governments to implement environmental regulations an additional factor leading encroachment of the remaining 1,763,054 ha of forest (per 2017, or 24% of the province’s area). Especially in the target landscape (Mandailing Natal), absence of a multi-stakeholder platform results in lack of cross-sectoral coordination and collaboration to pursue sustainable development. Between 2006 and 2017, North Sumatra lost a total of 211,353 ha of its primary and secondary forests attributed to degradation (70%), monoculture plantation mainly oil palm (19%) and mixed-dry land cultivation mainly coffee and cocoa (11%). However, there is still a great potential to protect the remaining critical ecosystems totaling to approximately 1,419,389 ha outside existing PA/CA.

The target district – Mandailing Natal – has an area of 653,172 ha with forest cover of 287,115 ha (2017). The district has an indicative priority ecosystem area outside CA/PA of roughly 277,588 ha, and a restoration priority area totaling to 20,681 ha. Key commodities of Mandailing Natal are oil palm (82,372 ha) and coffee (4,017 ha), which livelihoods of smallholder farmers are being dependent upon.

Interventions at the landscape level will include pilot business/incentive mechanisms for sustainable palm oil, as well as a community-based approach on conservation Mandailing coffee and land restoration.

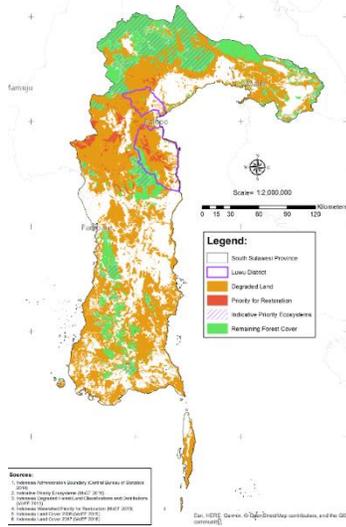


**(c) West Kalimantan (Landscape: Kapuas Hulu District):**

West Kalimantan is one of few provinces in Indonesia with a massive extent of remaining forest cover – roughly 5,598,954 ha per 2017 (38% of the province’s area) – and indicative priority ecosystem area outside CA/PA of 6,335,825 ha. As part of the Heart of Borneo, West Kalimantan is home to many endemic birds and Borneo

Orangutan. During 2006-2017, the province had converted a total of 814,618 ha of its primary and secondary forests where key drivers of deforestation were: monoculture plantation mainly oil palm (49%), land degradation (38%) and mixed dryland cultivation mainly coffee and cocoa (13%). Most of the province’s area has been granted concession licenses (forest-based and oil palm concessions), although many of these licenses have been revoked by the current governor. These abandoned concession areas still contain significant forest cover but is threatened by encroachment done by smallholders and local logging companies. Capacity gaps among local government officials exacerbate the situation. However, there are opportunities to strengthen forest governance to drive private sector investments and community participation to pursue restoration and conservation. This is particularly the case for the target landscape – Kapuas Hulu District – which still has approximately 2,205,645 ha of forest cover (2017, or

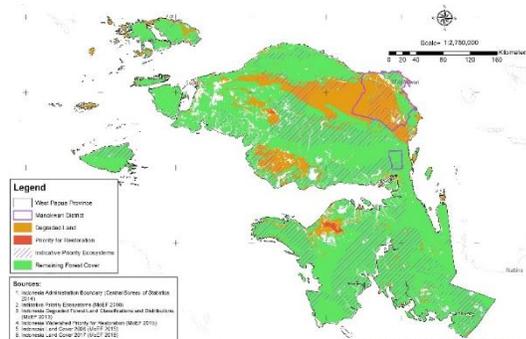
71% of the total area of the district) and an indicative priority ecosystem area outside CA/PA of 1,838,566 ha. The district also has restoration priority area totaling to 45,554 ha. Oil palm is one of the major commodities in Kapuas Hulu with a total plantation area of 86,719 ha. Interventions in the landscape will include piloting of sustainable palm oil business model, linking smallholders and private sector company(s) to encourage protection of priority and essential ecosystems.



**(d) South Sulawesi (Landscape: Luwu District):** South Sulawesi is one of the biggest rice and cacao producers in Indonesia. However, there is still a lack of integrated land use approach, disconnecting production, conservation and restoration in South Sulawesi, and leading to significant loss of forest and land degradation in this province. Key drivers of deforestation between 2006 and 2017 were: mixed dryland cultivation mainly cocoa (1,318,515 Ha), rice field (644,236 Ha) and land degradation (450,371.43 Ha). The low productivity of old-aged cacao trees, and limited capacity in processing the product, have caused low market value of cacao products. Farmers also lack capacities and technical/financial support systems to adopt GAP practices and to produce cacao sustainably.

Additionally, excessive use of fertilizer and pesticides in the production of rice as a main crop in South Sulawesi followed by cacao, continues to occur, putting negative externalities on land and water, leading to further land degradation in this region. Due to these reasons, interventions to pursue integrated land use management must be implemented to protect the remaining 1,353,248 ha of forest cover (2017) and 658,618 ha of indicative priority ecosystems outside CA/PA. The target landscape within this province is Luwu District, which has a total area of 290,516.61 ha and forest cover (2017) of 70,610.90 ha. Although the district does not have significant indicative priority ecosystems outside CA/PA (only 7,007.65 ha), it still has a big potential for restoration where there is a total of 22,694 ha restoration priority area exists in this district. Key commodity and crop of Luwu are cocoa (33,909 ha) and rice (268,353 ha).

In this landscape, the project will introduce good agriculture practice (GAP) and integration of nature-based solutions for water retention and pollution control for rice production, including trees and fisheries into production systems. Additionally, land degradation neutrality and restoration efforts will be implemented through combination with sustainable cocoa cultivation in this landscape.



**(e) West Papua (Landscape: Manokwari District):** often referred to as one of Indonesia’s last frontiers, West Papua has a total forest cover of 8,679,864 ha per 2017 (88% of

the province’s area) and a massive indicative priority ecosystem area outside CA/PA of at around 3,828,600 ha. The most prominent environmental issue in West Papua is unsustainable planning of road development, leading to encroachment of forests. Although the rate of deforestation had been low (0.10% between 2006-2017), the development plan does not provide clear mitigation action to ensure forest is being protected and will pose a great deforestation threat in the near future. Furthermore, the central government, as well as the previous provincial governments, had granted concession licenses (forest and oil palm) totaling to almost 50% of the province’s area (based on West Papua’s spatial plan). Additionally, around 2 million ha of forest have been allocated for conversion (HPK, HTI & APL) according to the provincial spatial plan. However, most of the licenses and conversion plans are still not operational

because of the lack of infrastructure, security, and most importantly, customary law and West Papua's commitment as a conservation province declared by the current Governor. A detailed jurisdictional plan to save remaining forests from being converted while increasing the value of forest for community's livelihood is necessary. At the same time, the province is granted "special autonomy" to manage its resources (production and protection functions), making it even more necessary to strengthen the capacity of the current government to pursue conservation goals. Manokwari District (area: 568,846 ha) has been selected as the target landscape due to its remaining forest cover of 435,475 ha (2017) and indicative priority ecosystems outside CA/PA totaling to 238,135 ha. At the landscape level, the project will focus on enhancing forest governance, sustainable palm oil production, and development of detail sustainable infrastructure development plan, as well as forest and land degradation neutrality plan. Capacity of the local government will also be strengthened in order to transform extractive-based development into more sustainable-conservation based strategies.

## **2.2. Baseline Investments**

One of the missions of Indonesia's National Medium-Term Development Plan is "achieving a green and sustainable Indonesia." Under this mission, the country aims to: (1) improve natural resource management and utilization, as well as enhance environment functions; (2) conserve biodiversity; and (3) increase awareness and capacity of local community to manage natural resources. To achieve these objectives, Indonesia now focuses on formulating low carbon development plans that are in line with national and global development agendas (i.e. SDGs). In terms of low-carbon development plans, government's efforts are being made to re-forest and reduce deforestation rate, increase the environment quality, enhance agricultural productivity and efficiency in resource utilization, as well as increase utilization of renewable energy. These efforts have been mandated through an issuance of the Government Regulation No. 46/2016 on sustainable development. In sector or thematic specifics, government programs and interventions comprise of the following:

**Commodity:** Oil palm, coffee and cocoa continue to become strategic commodities and the focus of the plantation sector under the Ministry of Agriculture (MoA). In 2015, Indonesia established the CPO-Fund under President Regulation No. 61/2015, aimed to expand oil palm-related programs on replanting, R&D and biodiesel. The government also focuses on the provision of quality/certified seedling, agri-inputs and extension service for farmers. Note that the extension service is not commodity specific but general. Part of MoA's policy directions for commodity sector, government priorities are on: (1) strengthening farmer institutions and partnerships with private sector companies especially in the form of farmer capacity building and (2) enhancing access to finance for smallholders.

**Crop:** Gol's food policy is stated in "Nawacita" – the foundation of government's work program aimed to achieve food self-sufficiency in the context of national food security. The MoA has then developed its agriculture policy and programs surrounding land optimization and adding planting area for crops, infrastructure and extension service. Since October 2014, the MoA launched a special program aiming to increase food crop production (rice, corn and soybeans).

**Environment, forestry and land use:** in the environment – forestry sector, Gol has been focusing on efforts related to: (1) halting illegal deforestation and mining within estate-forests, (2) improving conservation and forest governance, (3) improving environment quality and (4) climate change mitigation and adaptation. Currently, the government is also in the process of establishing a trust fund for conservation efforts within estate-forests. On land use, government continues to work on Agrarian Reform (Gov Regulation No. 11/2010) to utilize abandoned land optimally, as well as curbing land conversion.

**Gender:** government’s efforts on gender mainstreaming is reflected through an issuance of the Presidential Instruction No. 9/2000 on “Gender Mainstreaming into National Development.” This regulation instructs that all ministries and agencies mainstream gender indicators as part of their programmatic success indicators. However, when it comes to commodity and crop sectors that are men-dominated, gender mainstreaming programs from the government are limited to capacity building related to pest control.

In the implementation, most of government initiatives are limited in scope to individual sectors (i.e. forestry, agriculture, land), commodities (oil palm, coffee, cocoa) and crop (rice) and individual supply chains, as shown above. Some sector or commodity-specific interventions and efforts have been claimed successful. However, this disintegrated approach has not managed to transform the entire commodity and crop sectors as well as forestry sector to ultimately significantly reduce, if not halt, the rate of deforestation resulting from commodity and crop expansion, within and outside estate forest areas. This shows the need to implement integrated interventions that encompass the entire supply chains of oil palm, coffee, cocoa and rice, and strengthen the land use governance in order to foster linkages and synergies that go beyond the current efforts and multiply connections. Moreover, gender mainstreaming activities need to go beyond the training program on pest control, such as empowering women in decision making processes, commodity-crop business literacy and resource management.

A range of private sector companies are also either sourcing commodities from or investing in commodity value chains in the target regions. These investments are linked to a number of relevant commodity standards and platforms integrating quality and sustainability elements.

**Potential company & donor partners:** A range of private sector companies are also either sourcing commodities from or investing in commodity value chains in the target regions. These investments are linked to a number of relevant commodity standards and platforms integrating quality and sustainability elements. The project has identified and had preliminary engagement with a number of potential investments from PEPSICO, Mars, Olam, Danone and Nestle for sustainable production of palm oil, coffee, cocoa and rice. The IKEA, Unilever and Mondelez have been GGP’s supportive partners who will continue their commitments to support the implementation of sustainable commodity production within their supply chains under FOLUR IP. Both SECO and GIZ will also continue to work closely with UNDP in the future to scale-up the existing collaboration under FOLUR IP. Detail contributions will be further assessed and mobilized during the PPG.

Additionally, the Lion’s Share initiative targeting Leuser Ecosystem landscape (within Aceh and North Sumatera) is a multi-partner platform bringing UN Agencies, private sector companies, foundations, philanthropist and individual donors to promote conservation of Leuser Ecosystem. The founding partners of this initiative are Clemenger BBDO, Mars Incorporated, Finch, Nielsen and the UNDP. A total of US\$ 2M will be allocated by UNDP for the transformative action programme under this initiative.

Commodity /Landscape	Coffee	Palm oil and coffee	Rice and cocoa	Palm oil	Palm oil
	Central Aceh district, Aceh	Mandailing Natal district, North Sumatera	Luwu district, South Sulawesi	Manokwari district, West Papua	Kapuas district, Kalimantan Hulu West

<b>Company</b>	Olam, Nestle, Sumatra Coffee Specialty, Indocafco, Louis Drifus	Asian Agri, PTPN IV, Rimba Mujur Mahkota	Olam, Danone, Nestle, Mondelez, Mars, Ecom, Barry Callebaut	PT SMART, Wilmar, Musim Mas, HAS Group, Indonusa Group	PT SMART, PT Kapuas Indo Palm Industry, PT Evershine Asset Cooperation, Indofood, Kencana Group
<b>Donor agency</b>	UNDP, SECO	UNDP, SECO	Government of Norway		GIZ, SECO

An investment of US\$ 18 million from GEF will be matched by co-financing of US\$ 147.471 million (1:8) from government, international organization, bilateral and multi-lateral donors and private sectors. Of which investment mobilized is US\$ 5.071 million. Investment mobilized will

**2.3. Incremental Costs and Result Framework**

The current initiatives in Indonesia have been predominantly centered around commodity certification (including Indonesia Sustainable Palm Oil/ISPO, Roundtable Sustainable Palm Oil/RSPO and *Sistem Verifikasi Legalitas Kayu/SVLK*/Timber Legality Assurance System), palm oil moratorium on new concession and social forestry. These are not sufficient to shift towards a complete sustainable, reduced deforestation values chains. This project intends to build upon these initiatives, as well as the interventions and partnerships with private sector under GEF-6’s Good Growth Partnership, to transform the value chains of the four commodities, which have driven deforestation, unsustainable land use change and associated emissions over the last decade in Indonesia. Given the integrated nature of the project across national, provincial and district boundaries, the project’s interventions will **promote sustainable, integrated landscapes and efficient food value chains at scale.**

The GEF funds will support scale-up of reduced-deforestation agriculture commodity supply chains for palm oil, coffee, cocoa and rice to prevent further loss of forests in five geographies (Aceh, North Sumatra, West Kalimantan, South Sulawesi and West Papua) by improving key policies on sustainable production, combined with integrated land use planning outlined in sustainable growth plans and incentive mechanisms. Moreover, this funding will enable scale-up of restoration of at least 20,000 ha of degraded landscapes and increased protection of over 3.5 million hectares of priority ecosystems in these target jurisdictions, which will create habitat connectivity with/between conservation areas to conserve critically endangered species, as well as contribute to climate mitigation (~38.87M tons of CO2e annually). The funds will also allow the application of an integrated approach focusing on the entire value chains of palm oil, coffee, cocoa and rice where coalition of actions between government, private sector and CSO actors, as well as local community will be fostered. It is expected to bring large-scale change in the target jurisdiction and to replicate successful models from the project at a national scale. The project will also leverage environmental benefits through enormous public sector investments in agriculture and infrastructure with ADB, IFAD, and World Bank, as well as the Indonesian Oil Palm Estate Fund (BPDPKS). Furthermore, the project will bring investment contribution from numerous private sector companies, donor agencies, CSOs, as well as governments into the process. The project will leverage green investment and finance through innovative public-private-partnerships for implementation of sustainable value chains, the mechanism for which will be explored further during the PPG. The project approach can generate lessons learned and be widely replicated in other countries.

## **2.4. The Proposed Integrated Approach and Theory of Change**

In achieving its objective – *ensuring sustainable value chains of palm oil, coffee, cocoa and rice via application of a comprehensive land use approach integrating biodiversity conservation, restoration and production at scale* –, the project proposes the following components, outcomes and outputs. To ensure that the project is gender responsive, a gender analysis will be undertaken during the PPG stage to fully consider the different needs, roles, benefits, impacts, risks, differential access to and control over resources of women and men given a project's context, and to identify appropriate measures to address these and promote gender equality and women's empowerment. The analysis will form the basis of a Gender Action Plan and Budget to guide gender mainstreaming during project implementation.

### **Component 1: Development of integrated landscape management systems**

This component will focus strengthening the target jurisdictions to implement integrated landscape management systems. The project will review existing regulations and policies related to land use and allocation, long-term and medium-term development plan, as well as macro spatial-regional plans of the target provinces and districts. It will also conduct or upgrade the mapping and inventory of HCV/HCS and other priority ecosystems of the five target jurisdictions to identify appropriate land allocations for production, protection and restoration. These results will be used to develop jurisdictional sustainable landscape management (SLM) plan in the target provinces, which will delineate production, protection and restoration activities. The project will utilize various land use assessment tools including Targeted Scenario Analysis (TSA) for informed decision-making process for government authorities. The jurisdictional plans will be monitored through a jurisdictional assessment & monitoring tool to ensure not only the adoption, but also vertical regulatory harmonization of the plans across national and sub-national levels. This tool will also be utilized by governments in other parts of the country for upscaling of integrated land use management.

*Main outcome: Jurisdictional sustainable landscape management plans formulated using landscape management approach, and adopted with initial enforcement monitored to strengthen land use, allocation and governance, including water management*

Under component 1, the project will also work on strengthening governance and building capacity across landscape and land use management institutions by enabling multi-stakeholder dialogues and inter-agency coordination. Building on the work under Good Growth Partnership, the project will strengthen existing multi-stakeholder forum including the Indonesia Platform on Sustainable Palm Oil (or FoKSBI), Sustainable Coffee Platform of Indonesia (SCOPI), *Asosiasi Kakao Indonesia* (ASKINDO/Indonesia Cacao Association) and Sustainable Rice Platform (SRP), and drawing upon sustainability-oriented standards developed under SVLK and RSPO, the project will develop a national sustainable agriculture platform, which will address issues across the value chains of palm oil, cocoa, coffee and rice. Additionally, the project establishment and/or strengthen five provincial and five district level platforms on sustainable agriculture and landscape governance involving government, private sector, CSOs and local communities. On the actions, the project will formulate, push for adoption and monitor the initial implementation of national level action plans on sustainable cocoa, coffee and rice that also include strategies for strengthening farmer support systems. The project will also review and strengthen at least five national and sub-national level policies, regulations, or government programs to ensure the implementation of conservation agriculture and/or protection of essential ecosystems. These multi-stakeholder platforms will become the channel to engage and involve women to address the issues across the commodity and crop supply chains.

*Main outcome: Multi-stakeholder dialogues/collaborative platforms and action plans established to improve sustainable commodity and crop value chains and landscape governance at national and sub-national levels*

### **Component 2: Promotion of sustainable food production practices and responsible value chains**

Under Component 2, at the district level, the project will conduct detail analyses on economic and environmental carrying capacity as well as land suitability for oil palm, coffee, cocoa and rice. The results of the analyses will be translated into a number of land use scenarios for the target districts, which will inform the trade-offs across economic and environmental indicators. The district-level platforms will be utilized by stakeholders in the district to review and decide the most appropriate yet sustainable land use scenario for the district to pursue. The selected land use scenario will be detailed into a detail [cluster-level] spatial plan for optimum land use allocation to be adopted in the target district.

*Main outcome: Detail sustainable land use plans derived from the jurisdictional SLM plans legalized and implemented in five target districts*

The project will also work on operationalizing a mechanism to provide finance/credit to smallholder farmers through domestic banks or investors or existing-established financial facilities.<sup>22</sup> The project will ensure that the mechanism will strengthen and empower women to access the finance/credit. During the PPG, the project will start with reviewing the existing financial schemes and facilities including national laws and regulations to identify the most appropriate mechanism to provide finance/credit for smallholders' transition to sustainable production. Once the financing mechanism is established, the project will mobilize and facilitate PPP investments to finance the implementation of sustainable value chains at scale. Additionally, the project will facilitate national, regional and global corporate engagements on strategic issues beyond supply chains to foster greater impacts to ensure sustainable supply chains. For pilot implementation, the project will enable the implementation of five different PPP business models on sustainable production for protection and restoration in target districts through coalition of actions between governments, private sector companies, farmers and NGOs/CSOs. The project will start off with identifying potential partners/investors or initiatives in the value chains in the districts and engage to obtain collaborative agreements to implement the PPP pilot activities.

*Main outcome: Green investment and finance through public-private-partnerships leveraged for implementation of sustainable value chains*

In terms of the strengthening of sub-national level support and traceability systems for smallholders, the project will assess and compare existing methodologies and tools related to farmer support system and traceability system for palm oil, cocoa and coffee. The project will then build on these methodologies and tools to develop and test integrated farmer support and value-chain traceability systems for palm oil, cocoa and coffee in three different jurisdictions. Furthermore, the capacity training will be provided for governments, private sector companies and farmer unions/cooperatives to implement the systems.

*Main outcome: Integrated farmer support and value-chain traceability systems are established for selected commodities and jurisdictions*

For the piloting of five PPPs in target districts, the project will work together with the identified private sector companies and local government to implement the “sustainable production for protection and

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<sup>22</sup> Details will be explored during PPG

restoration” models. the project will refer to the agreed sustainable land use plans (formulated under Component 1) to ensure that the target beneficiaries are not located on non-legal areas (i.e. PA/CA), protected peatlands or other critical ecosystems. Once locations are determined, the project will conduct mapping of smallholder commodity and crop producers (cocoa, coffee, oil palm and rice) to support land legalization and implement gender-sensitive sustainable intensification approaches, comprising of: farmer group/union formation, trainings on GAP and environment protection, as well as sustainable certifications such as ISPO and RSPO, SCOPI, and SRP utilizing the participatory structure of participatory guarantee systems (PGS). Moreover, agricultural extension systems, which include capacity building for extension providers, for target commodities will be strengthened to support smallholder farmers in target districts beyond the direct beneficiaries of the project. Lastly, the project will also support the smallholder producers (including women producers) in target districts to undertake replanting of ageing or unproductive cocoa, coffee and oil palm to increase yields and restoration of land for food production.

*Main outcome: Smallholder support systems strengthened in target districts to implement sustainable intensification approaches and benefits through the agreed PPP modalities*

### **Component 3: Conservation and restoration of natural habitats**

Component 3 will focus on developing detail management (protection, sustainable utilization and restoration) plans for forest and/or peatland in risk of commodity/crop expansion for five target districts through participatory involvement of multi-stakeholders in the target districts. The plans will be based on the agreed sustainable land use plans, and once finalized, they will be pursued for legalization and adoption for implementation. For pilot conservation and restoration efforts, the project will enable at least 3 management models / incentive mechanisms (such as social forestry) to catalyze biodiversity conservation, land/habitat restoration as well as to improve governance of priority ecosystems in the selected districts.

*Main outcome: models of management and incentive mechanisms catalyzing biodiversity conservation, land/habitat restoration and improved governance of priority ecosystems enabled in target districts*

### **Component 4: Knowledge Management, Coordination, Collaboration, and M&E**

The last component of the project focuses on: (1) monitoring and assessing causal impacts of project’s interventions on reduced-deforestation value chains, sustainable land use management and land restoration, (2) capturing lessons learned and knowledge dissemination globally, nationally and across jurisdictions, and (3) enabling knowledge exchange platform through convening of conferences, production of knowledge products and national and international learning exchanges.

*Main outcome: Integrated knowledge management, coordination and collaboration to enhance knowledge of factors to foster lessons learned for replication in other areas*

The project will engage through the FOLUR global platform and the UNDP Green Commodities programme with countries and platforms outside of the country as a means to scale results and impact the broader food system. The project will become one of the members of the Green Commodities Community administered by UNDP.

The project will connect with similar country projects within FOLUR based on similar commodities and approaches to share resources for combined and collective knowledge management products eg a collective guidance on sustainable palm oil or jurisdictional approaches. These products can then contribute to FOLUR wide knowledge products.

The lessons learned and experience from Indonesia will be shared through South-South and triangular cooperation with other countries participating in the FOLUR impact program. Regionally, exchanges can be fostered between Indonesia, Malaysia and Papua New Guinea on enhancing sustainable value chains of palm oil and cocoa. And for rice, through measures to link smallholder producers and value chain actors to the SRP sustainability standards, the project will also engage a consortium of private sector commodity buyers and traders, NGOs, international development organizations and governments working to promote more sustainable rice products that can be integrated into other FOLUR commodity projects incorporating SRP standards in China, Thailand and Vietnam as well as countries outside of the FOLUR. Lessons learned across this portfolio of programmes will strengthen global-level IP outcomes on leveraging global coalitions to pursue FOLUR objectives and outcomes and promoting public and private investments in ILM, as well as sustainable commodities influenced by FOLUR, in FOLUR countries and globally.

The project will support team members, government counterparts to participate in and speak at global conferences of relevance eg RSPO and represent FOLUR at these events.

### **3. Engagement with the Global / Regional Framework**

Indonesia is a mega-diverse country and one of world's biggest producers of oil palm, cocoa, rice and coffee. The project aims for a transformational change in sustainable commodity and crop supply chains and land governance. This will be done by significantly reducing deforestation led by expansion of oil palm, coffee, cocoa and rice nationally, and in target jurisdictions by strengthening sustainability in the value chains of these commodities. The potential for the project to generate multiplier impacts beyond target geographies is great through the utilization of a jurisdictional assessment & monitoring tool to up-scale the formulation, adoption and implementation of integrated land use management to other parts of Indonesia.

The project will engage with actors within supply chains that go beyond landscape and jurisdictional levels but also nationally and globally, which can further be pushed to be included into existing global-jurisdictional certification initiatives. Through clear delineation of production, protection and restoration areas in jurisdictional green growth plans at the provincial level, as well as detail sustainable land use plans at the district level, the project will foster not only sustainable production, but also responsible demand in Indonesian, Asian and global markets for sustainable palm oil, coffee, cocoa and rice. The project will connect to global level commodity and food supply chain initiatives and networks, primarily through UNDPs Green Commodities Programme and Good Growth Partnership, as well as through other means offered by FOLUR global platform. These connections will facilitate the project linking to global buyers interested in sourcing from jurisdictions advancing towards having deforestation free commodity production and also to learn latest best practice and policy of the global markets.

The project will coordinate with the global coordination unit housed in the FOLUR global platform. This coordination will be through UNDPs Green Commodities Programme as well as FOLUR specific collaboration mechanisms established by the global platform.

The project will ensure that the national commodity platform supported within the project is connected to the global commodity initiatives (RSPO, WCF, ICO, GRSB etc) and serves as a principal forum for convening the global and national supply chain stakeholders in the country.

Kazakhstan

## GEF-7 CHILD PROJECT CONCEPT

**CHILD PROJECT TYPE: Full-sized Child Project**

**PROGRAM: IP FOLU**

<b>Child Project Title:</b>	Promotion of sustainable food systems and improved ecosystems services in Northern Kazakhstan Landscape
<b>Country:</b>	Kazakhstan
<b>Lead Agency</b>	UNDP
<b>GEF Agency(ies):</b>	UNDP
<b>Total project cost (GEF Grant):</b>	\$10,467,000
<b>Total Cofinancing:</b>	\$127,200,000

## PROJECT DESCRIPTION

### 1. Country Context (*maximum 500 words*)

Describe the country's relevant environmental challenges and strategic positioning relative to the systems transformation proposed for the program, including relevant existing policies, commitments, and investment frameworks. How are these aligned with the proposed approach to foster impactful outcomes with global environmental benefits?

Kazakhstan is the ninth largest land-locked country and one of the key crop producers in Central Asia. The country has 21.5 mln ha of arable land; 15.4 mln ha are devoted to cereals, 76% of which are in northern Kazakhstan, where 80% of the country's grain is produced. Wheat crop is the largest agricultural segment in the country, which represents 50% of total agricultural production. Over 39% of Kazakhstan's territory is subject to high risk of desertification. Over the past 30 years, humus content in topsoil decreased by 10-20%<sup>23</sup>. This represents a food security risk, and compromises Kazakhstan's wheat exports. Climate risk, aggravated by reliance on monoculture and inefficient technologies, improper management of pastures, forests and wetlands are especially critical in Northern Kazakhstan Landscape (NKL). Desertification drives down soil productivity and causes impact on habitat of species.

Kazakhstan committed to restore 1.5 mln ha of degraded land by 2030, as part of the Bonn Challenge. The National Concept and Action Plan for Transition of Kazakhstan to Green Economy, in its Goal 2, provides for innovative mechanisms for a more sustainable and productive agriculture; Goal 1 - for better use of water resources and Goal 7 for Conservation and efficient management of natural

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<sup>23</sup> The Fourth National Report of Kazakhstan on Implementation of the UN Convention on Combatting Desertification (with comments and additions). 2012. Astana, Republic of Kazakhstan

ecosystems. An Inter-ministerial LDN task force, enabled through previous GEF support, made possible recent adoption of policies on: favoring access of smallholders to subsidies and credit, valuation of ecosystem goods and services, diversification of ownership of land, forests, and hunting areas, norms and standards on green products and more efficient crop and cattle agriculture. These changes have been duly reflected in updated national agricultural programs. A country-wide land inventory was completed in 2016, providing an accurate picture of state of natural resource, enabling sound decision making on land use choices.

Given the positive enabling environment (as above), success of transforming production, secure food supply and safe ecosystems, is high. The project advances the objectives of the 2016 National Action Program under UNCCD, which emphasizes the need: to raise effectiveness of land-use planning, zoning and cropping patterns, in an integrated way; improving the financial mechanism/incentives to ensure sustainability of agriculture; promote green products. Kazakhstan's National Biodiversity Strategy and Action Plan commits to increasing protection for forest and wetland ecosystems within production landscapes, and improve effectiveness of management of its high value ecosystems. The project advances implementation of Ramsar Convention on wetlands (through Component III), and contributes to higher rates of carbon sequestration in the LULUCF sector under UNFCCC.

The project focuses on promoting an integrated landscape-focused approach, improving sustainability of food production systems and ecosystems in this major wheat-dominated landscape. Building on the positive enabling environment, the project addresses the current deficiencies in integrated land use planning, green wheat production and crop diversification technologies; inefficiencies in farmer state support system (Output 1.4); introduces a system of agroenvironmental incentives to increase access of small-holders to affordable funding for sustainable production; collaborates with major wheat (and other crop) export companies, food companies to help market products from sustainable agriculture; demonstrates efficient agricultural technologies in situ and conserves high nature value ecosystems within the landscape. The project can trigger a change in the way Central Asia governments approach landscape planning, finance agriculture, enabling replacement of inefficient wheat crop production by sustainable livestock management, improved soil cultivation techniques and pasture maintenance, better forest and wetland management. Multiple support letters from central ministries, regional authorities, agricultural financing institutions (available on request), are evidence of high national ownership of this project.

## **Project Overview and Approach (*maximum 1250 words*)<sup>24</sup>**

- 2.a. Provide a brief description of the geographical target(s), including details of systemic challenges, and the specific environmental threats and associated drivers that must be addressed**

### **Brief overview of the area – Northern Kazakhstan Landscape**

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<sup>24</sup> Additional text has been provided (in excess of the word limit) to better clarify issues raised during the screening of the Expression of Interest (See Annex B).

Figure 1. NKL within the administrative map of Kazakhstan



Northern Kazakhstan Landscape has a total area of app. 22,371,000 ha and due to its moderate climate is most valuable for wheat crop production, other crop and pasture agriculture, while also containing important biodiversity havens. NKL includes 11.7 mln ha under annual arable farming; 13,972 ha under cattle management (pastures, hay-fields, perennial feeding crops); 38,043,715 ha natural ecosystems (including protected areas), predominantly wetlands (wetlands of international importance - 600,605 ha; wetlands of

regional importance - 338,418 ha), 7,900 lakes and ponds, steppe (33.5 million ha), forest-steppe (6.8 million ha, of which high value birch-aspen forested areas constitute 3.9 million ha).

Over 80% of country’s grain is produced in NKL, which is home for 270 aborigine species of the grains being stored. More than 128 grain crops varieties are being sown and cultivated. NKL contains >50% of Kazakhstan’s pasture land. The landscape is highly mosaic, and due to this there is high level of encroachment of crop agriculture on natural ecosystems, which play an important role in maintaining ecosystem services. Forests of northern Kazakhstan occupy an area of about 1.1 million hectares or 8.7% of total forest cover in the country, and act as major barriers against wind storms/soil erosion, which is an important service for crop agriculture. Typical trees include birch (65%), pine (36%) and aspen (25%)—with birch and aspen often growing in small groves called 'kolki' and strips of pine either growing in sandy soil or grouped in patches across NKL. Forest distribution is uneven. The average percentage of forest cover in NKL ranges from 2% to 5.5% (average coverage indicator is 4.2%). The majority of the forest fund in the region is state owned and managed by the state forest entities, currently overseen by regional authorities (akimats) in four target oblasts. Over 35% of the country’s steppe forests are found here. Crop agriculture in the NKL in many areas depends on supply of sufficient quantity and quality of water, from groundwater reservoirs, which in turn are connected to numerous lakes and wetlands. Overuse of water and diffuse contamination of lakes is one of the main threats to these ecosystems stemming from crop agriculture. The NKL ecosystems at the same time are home to numerous threatened species, such as White-headed duck (*Oxyura leucocephala*), Siberian crane (*Grus leucogeranus*), Sociable lapwing (*Chettusia gregarua*), Saker falcon (*Falco cherrug*).

*FOLUR IP suitability criteria as applied to the targeted landscape*

<p>Evidence of environmental threat from unsustainable agriculture/livestock rearing</p>	<p>Over 4 mln ha of cropland in NKL is classified as “degraded” under UNCCD National Action Plan definition, primarily as a result of reliance on single-crop cultivation and slow adoption of anti-erosion and resilience-centered practices. There is high level of encroachment of degrading economic lands on birch-aspen forests, natural steppe and forest steppe, and wetlands causing habitat loss of ecosystems and presenting threats to species. 62% of winter and 71% of summer pastures in NKL eroded (ref. 1980s) due to uncontrolled expansion of livestock numbers and inadequate cattle management.</p>
<p>Potential for applying a</p>	<p>The project’s approach focuses on one landscape (NKL) and relies on (1) integrated landscape planning, agroenvironmental incentives, (2) on the ground investment in transforming arable farming and cattle management, (3)</p>

comprehensive land-use approach	restoration and prevention of encroachment of productive lands on high nature value natural forests, lakes in wetlands in between the production areas, that are important buffers under changing climate, (4) partnership with private wholesale and retail companies to expand green value chains. Given that NKL is managed administratively by two administrations, and private sector is focused and has record of collaboration, change can be successfully achieved through a well-targeted intervention.  <i>Further details are discussed in Systemic Challenges and the project’s potential to address them are discussed in Section 2.c.</i>
Potential for improved farming/grazing practices	The project stems from years of UNDP previous work, through trial projects, in partnership with Government and private sector, on sustainable agriculture in NKL. Farmers and private sector actors in NKL are well capacitated for a more transformative approach and larger scale initiatives, therefore the activities focusing on improving land cultivation, promoted by this project, have high rate of success.
Willingness to work across national borders for supply chain needs and other market driven demands	Cereals from NKL are exported widely; the project will work with private sector, including global companies (see further details in the text) to make sure that environmental sustainability of production in NKL is reflected all along the supply chains, including experts. The project will become a partner on the UNDP Green Commodities Platform and will eagerly cooperate with the IP FOLUR central coordination unit during the preparation and implementation of the program, this is further discussed in the section on Global Coordination.

**Systemic challenge 1: Disintegrated and uncoordinated land use planning**

At the moment, croplands, rangelands, forests, hunting areas and wetlands currently are managed in isolation from each other, by different entities, without account environmental connectivity. While land use planning has been decentralized on paper through Government reform, yet institutional and individual capacities of farmers, local governments at regions, district and village levels, as well as concrete hunting reserves, or forest units, are not sufficient for them to come together to map and analyze land activities jointly. Collective land use analysis and planning has not yet happened at a scale of a region (e.g. as large as NKL). Under business as usual territorial planning would continue to be performed for tax purposes solely. The current planning system fails to use an integrated approach that would factor in the needs of ecosystems for sustaining their services in the long run, in addition to the needs of other sectors of the economy.

Practical transformation to integrated landscape planning would require a number of changes in the current land use policy and legal framework. Currently, there is a disparity between public expenditures and environmental priorities.<sup>25</sup> While a well-developed system of laws with relation to land

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<sup>25</sup> World Bank. 2011. Kazakhstan Country Environmental Analysis. Kazakhstan development strategy 2050 wrote “There also seems to be disparity between public expenditure and the environment priorities as defined by the Cost of Environmental Degradation. This will undermine the importance of the agroenvironmental priorities in ensuring that the environment is mainstreamed in the productive sector of the economy. ... The challenge for reaching financial sustainability is not to increase government investments but to meet certain socioeconomic criteria by, first, prioritizing the investments and reallocating the

management is in place, there are several gaps, duplications, and contradictions in the legal framework, and monitoring and enforcement continue to be weak. The 2003 Land Code was a big step towards sustainable land use and management. Yet, for example, rangelands--that constitute close to 70% of the country's territory--are largely ignored by the provisions of the Code. The Code fails to identify a specific government entity that oversees and monitors the resource use, to determine rangeland tenure models to be used, to assign rangeland ownership or user rights, and the extent of those rights.<sup>26</sup> This means that the herder has no secured property rights creating perverse incentives among the herders to maximize short-term benefits by making the most use of pasture. As another example, the Land Code envisages environmental, soil and climatic zoning at the rayon, oblast, and national levels that designates land use regimes for each area. Yet, implementation of this requirement lacks a system for bringing together economists, environmentalists, and other relevant specialists. *(Please see Annex C for further details on this systemic challenge.)*

**Systemic challenge 2: land degradation is beyond farmers' capacities to sustain economic stability, where reliance on wheat as monoculture does not contribute to sustainability**

Northern Kazakhstan was once at the heart of the massive and rapid Soviet cropland expansion program, often called the Virgin Lands Campaign. Under this program, approximately 45 million ha of primarily virgin steppes were converted into wheat and other annual cropland between 1954 to 1963, of which roughly half were in Kazakhstan, and mainly - in Northern Kazakhstan. Opening up a vast tract of steppe areas, without proper long-term scientific analysis of consequences, ultimately led to a sharp decline in productivity of natural pastures and grasslands, eventually resulting in lower wheat and other grain yields. Reliance on single-crop (primarily wheat) cultivation had taken its toll on the fertility of the soil, and failure to adopt anti-erosion measures led to millions of tons of soil simply blowing away.

At present, continued loss of organic content of soil, combined with extreme climatic events, drive extremely instability in the food supply. As an example, a drought in northern Kazakhstan in 2012 affected 1.1 million ha of grain crops, causing a 53% decrease in grain crop production.<sup>27</sup> On average, crop production now varies by approximately one-third from one year to the next.<sup>28</sup> Apart from domestic food security problem, this creates an international market risk, given that 70% of Kazakhstan grain (mostly from NKL) is exported. National experts have indicated that wheat prices in Kazakhstan swing between \$120 and \$170/MT depending on the year. This market volatility, in turn, drives unwillingness of the key financiers of agriculture (Joint Stock Companies (JSCs) "Agrarian and Credit Corporation (ACC)", "Fund for financial support of the Agriculture", "KazAgroFinance", "Economic Center for Agriculture") to give credit to farmers. Farmers represent only 5% of total loans outstanding in Kazakhstan, and these are mostly large-scale farmers from areas outside of NKL. The smaller the farmer, the less capable he/she is to invest in technologies that would ensure lower humus loss, prevent erosion, withstand drought or completely change crops. This means, when applying for credit/microcredit/subsidy he/she is not able to prove protection against losses, and thus, he is does not look as a lucrative client for the key financiers of agricultural support in Kazakhstan. It should be noted that over 80% of agricultural entities by number in NKL are small-and-medium enterprises (SME) as opposed to large farms; and that over 80% of livestock is owned by small-holders.

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*O&M costs, and second, by devising a financial management system and implementing it on the basis of clear priorities and well-defined outcomes through the mobilization of local resources"*

<sup>26</sup> Kazakhstan Rangelands in Transition: The Resource, the Users, the Sustainable Use. WB Technical Paper.

<sup>27</sup> UNEP. 2016. Republic of Kazakhstan – Technology Needs Assessment for Adaptation to Climate Change.

<sup>28</sup> The World Bank (WB). 2015. Agricultural Risks Study on Kazakhstan and Central Asia.

Baseline programs in Northern Kazakhstan (as described further in the text) mainly target conventional agricultural practices that focus on increased overall output of the wheat crops without regarding the ecosystem's carrying capacity. A review carried out by UNDP Country Office (2012) showed that: (1) the design and content of the northern Kazakhstan regional development plan has much reflection on crop diversification; (2) none of the regional baseline programs are based on evaluation of ecological carrying capacity of ecosystems while prosing diversification of grain crops; (3) subsidized activities in most cases fail to contribute to improved ecological status of lands; (4) subsidy programs strongly favor heavy crop cultivation and extend almost no support to pasture, hayfield and forest management, or other sustainable practices.

The existing financial support system fails to reward land users for maintaining the ecological integrity of agricultural and forest landscapes. For example, a farm between 100 and 300 ha receives 280 per ha from wheat, and those with over 15,700 ha receive a subsidy of 220 USD per ha. Putting these subsidies in context, large-scale farms account for only 18% of the total number of agricultural producers while small and medium-sized farm-holders represent 82%. But the latter simply have no or limited access to government subsidies. Community-based family farms that usually have a small area of lands, in many cases less than 150-350 ha, are not eligible for subsidies at all. This farmer support scheme sends rather perverse signals, motivating farmers to simply increase the area of lands per farm to be eligible for subsidies. In the crop sector, the government support scheme is extremely biased toward wheat production since the scheme applies no ecological or any kind of sustainable criteria. This, it turns, leads to the proliferation of large-scale monoculture crop production.

With respect to loan funding, ACC is among the key players. All loans have to be collateralized, must mature in 7-10 years and rates to end-borrowers range from 6% to 14.5% which is lower than commercial rates (commercial banks charge up to 21% to the farms they serve) but higher than risk-free rates. ACC's mandate does not prominently incorporate green food production. ACC offers a variety of products (for on-lending through credit unions or banks) but none is specifically targeted to funding green production. ACC officers have no knowledge of climate change, biodiversity, desertification, and related farming techniques and are not able to design loan products to support new farming techniques.<sup>29</sup> Credit union officers suffer from a similar lack of knowledge and capacity and would not be able to support ACC in the design and disbursement of these new loans.

The demand for green products just now starts to be built through partner projects between UNDP and food retailer/wholesaler/export companies, such as JSCs Tesna, KazIrAgro, Grain Pool, Logos Grain and Kazakh Export. The country needs demonstration of farmer ability to produce green products before meaningful dialog with market chains can start on their wider adoption. In this matter, the role of extension services (or any other farmer "hand-handling" assistance) can not be under-estimated. The existing extension services need major revamping, starting from resolving the issue of subordination (as it recently shifted from the Ministry of Agriculture to the National Chamber of Entrepreneurs), staff qualification (according to farmer interviews current extension service experts are extremely underqualified), outdated demonstration equipment used, and mode of service provision (recently boiling down to large voluntary seminars where only a small fraction of the content is devoted to green production such as soil-moisture saving techniques). Farm-by-farm audits do not cover green production options or climate smart technologies. The switch to innovative farming techniques requires years to master and, unless farmers received ongoing assistance, it is most likely going to be abandoned.

### **Systemic challenge 3: Encroachment of economic activities on ecosystems of high conservation value**

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<sup>29</sup> Based on a meeting with ACC senior executives in Astana.

High nature value forest and wetland ecosystems of northern Kazakhstan are important buffers for productive landscape, ensuring delivery of ecosystems services such as soil integrity, prevention of wind erosion, regulation of groundwater and maintaining proper water balance, as well as climate regulation. Many of the areas must be declared as no-go for agriculture, due to their unique role as important providers of ecosystems services and home to globally threatened biodiversity. Yet many valuable ecosystems suffer from lack effective protection and management as a result of unabated encroachment. Of total NKL landscape, just 1.06% of forest-steppe has adequate protection and management (as local protected areas). High nature value forest ecosystems of northern Kazakhstan lack effective management largely due to scattered and uneven distribution across the productive landscape. This fact prevents regional forest units and akimats from maintaining proper condition of the ecosystems.

A 2016 forest inventory in northern Kazakhstan registered soaking forest stands covering at 2,049.3 ha that resulted from the adverse weather conditions - rainy summers of 2014-2016 and heavy snowfalls in 2015-2017. According to the recent sanitary inspection, about 22,000 ha of “kolki” forests are susceptible to waterlogging due to rising water tables. In 2017 state forestry entities had to harvest 3,205 hectares of such degraded forests. Obviously, timber quality has deteriorated. Waterlogged stands have become the source of pests and forest diseases. For example, birch stands are rather susceptible to a well-known, but little studied bacterial disease, *Erwinia multivora* Sch.-Parf., that in the short-run could lead to a significant reduction of birch stands, and in the long-run - to their total destruction. The spread of this disease in NKL is especially dangerous since birch is the main tree-forming species of forests in the target areas. Mass mortality of birch stands can result in a sharp decline of the forest area cover in the region. Restoration and sustainable management of these critical natural biotopes requires science-based management approaches. Yet, forest units and responsible departments of akimats in the region lack capacities to handle these threats.

NKL—due to existing climate conditions (average precipitation level amounts to 209-350 mm per year) and effects of climate change—often experiences prolonged periods of severe droughts that contribute to the occurrence and spread of fires. Fires continue to pose the major risk to forests in northern Kazakhstan. Fire season exceeds 165 days. Over the past 5 years, 295 cases of forest fires consuming 11,600 ha were registered in northern Kazakhstan, which is almost 34% of the national statistics. According to the regional statistics, about 90% of forest fire cases in the northern Kazakhstan **result from uncontrolled agricultural burnings during sowing/harvesting campaigns**. Emergency departments has developed standard protocols for preventing forest and steppe fires but the existing fleet of fire trucks in state forestry institutions of northern Kazakhstan is outdated (over 25 years) and requires upgrade for the timely response and effective fire-fighting operations in natural steppe and forest areas adjacent to agricultural lands. Existing fire and chemical stations of state forestry entities operate only during the fire hazard period from April 15 to October 15 (depending on weather conditions) due to the lack of budget financing for the whole year.

Crop agriculture in NKL depends on supply of sufficient quantity and quality of water from ground reservoirs, which in turn are connected to numerous lakes and wetlands. There are about 3,200 lakes and wetlands in the northern **Kazakhstan which are an important water supply source for farmers**. Yet, due to constant uncontrolled water withdrawal for crop agriculture, numerous lakes in the region have become shallow and heavily grassed, containing lots of sediments, ultimately becoming unsuited to fulfil such important ecosystem services as water provision, and ground water regulation (ground water table has dropped significantly over past decades), not to mention – directly impacting on the destruction of habitat of water bird species. Plant residues and sludge in the lakes decompose over time resulting in

the decrease of oxygen levels, spread of algae, cloudy water, which eventually leads to lake shallowing and waterlogging.

Farmers, water authorities and foresters lack integrated management plans, that would set a desirable ecological and socio-economic targets for forest use, control of agricultural fires, control of impact of agricultural activities on the status and delivery of ecosystem functions by lakes and wetlands. Dialog between farmers, foresters, water administrations and meteorologists should happen at the landscape level, which currently is not the case.

## **2.b. Describe the existing or planned baseline investments, including current institutional framework and processes for stakeholder engagement and gender integration**

**Land use planning:** As noted previously, in Kazakhstan, territorial planning is currently performed almost exclusively for land tax purposes. To improve territorial planning, the government of Kazakhstan allocated about the US \$ 600,000 for an inventory of agricultural lands during 2014-2016, since the latest inventory of lands exists from 2000 and no longer represents a true picture on the current state and use of agricultural lands. A Republican state enterprise “GosNPTsZem” (Scientific and Research Center of Land Registry) was originally assigned with the task. The inventory included an analysis of existing maps of agricultural lands of districts and regions with field visits to sites to inspect the current state and use of lands, the availability of engineering infrastructure (e.g. in case of irrigated agriculture). As a final product, the organization produces a report that describes the baseline situation and provides a recommendation on the sustainable use of lands in the surveyed district/region. The ongoing inventory is being delayed due to institutional changes,<sup>30</sup> and its quality now becomes questionable as no qualified private companies operate at oblast/rayon levels that have adequate equipment and professional staff with relevant skills and expertise.

The key **baseline programs** that have the potential to trigger support for green food production are:

- *State program “Agribusiness (2017-2021, Ministry of Agriculture, regional governments, regional government of Almaty and Astana cities, US\$ 27,412 million total budget; about US \$ 4,234 million annually):* It is a strategic sectoral program largely aiming to increase financing, ensure availability of goods, services, and markets to agricultural producers, improve the quality of public services and overall effectiveness of the government in regulating the sector. The program is now combined several state strategic programmes into one and aims to support the comprehensive development of agro-industrial sector in Kazakhstan. In particular, the program includes objectives and indicators for protection, reproduction and sustainable use of fauna and flora, protected areas, and development of fisheries.
- *Master-plan on rational use of land resources (2017 – 2021; Ministry of Agriculture, regional governments, regional governments of Almaty and Astana cities; US\$ 2,168 million total budget; about US\$ 309 million annually):* Despite its title, the master plan largely focuses on the increased use of mineral (chemical) fertilizers. Out of the plan’s seven objectives, five directly talk about the increased use of mineral fertilizers, availability of financing and specialized machinery to incentivize farmers. One particular item in the master plan, however, mentions the need to introduce changes to current rules on the rational use of croplands, pastures, and hayfields. But no details provided.

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<sup>30</sup> In 2013, it was decided that GosNPTsZem, being a monopolist, shall not conduct the inventory. Rather, this task was delegated to Oblast and Rayon authorities that have to announce a tender and select a private company to perform an inventory of agricultural lands in rayons/oblasts.

- *State Program on Prevention of Desertification and Efficient Use of Summer-Winter Pastures* (2017 – 2021; Ministry of Agriculture; 2017 budget: US\$ 441 million). The program supports production-oriented agriculture without considering the carrying capacity of ecosystems, such as seed production (\$18.7 million), livestock breeding programs (\$38.0 million), and improving quality of livestock (\$91.1 million).
- *National Program for Restoration and Expansion of Pastures* (Neo-Nomad) (2017 – present, Ministry of Agriculture). This is a relatively large -scale program aiming to restore 57 mln hectares of most degraded pasture lands and convert them to hayfields. Lessons learned and experience of this program can be used when designing the agroenvironmental measures to support pasture management in the project target sites.
- *Loan, microcredit and soft assistance programs of the JSC Agrarian and Credit Corporation, Fund for financial support of Agriculture, KazAgroFinance, and Analytical Center of Economic Policy in the Agricultural Sector*. Total amount of annual investment to farmer support from these institutions amounts to over 15 mln USD. The funding is available for standard farmer business projects, as long as they can meet the criteria of the funding institutions (see above for more details on the ACC funding conditions, for example).

In addition, there is regular support to protected areas and forest management in NKL, which amounts to over USD 10 mln/y (managed under the Ministry of Agriculture and Forests, Forests and Hunting Committee). Under the baseline scenario without a GEF project, these programs will continue, but there will be no change in the landscape towards more sustainable land management with an account of the carrying capacity of ecosystems and application of SLM methods and technologies.

The table below depicts key **project stakeholders and engagement mechanisms**.

STAKEHOLDER	RELEVANT ROLES AND PROJECT ENGAGEMENT
Ministry of Energy	Government institution and implementing partner responsible for coordination of the state programs on climate and environmental sustainability and productivity. Will ensure overall stakeholder coordination, communication with other state agencies and replication of project lessons, through participation in Project Steering Committee and contribution to policy work under Output 1.4.
Ministry of Agriculture	Key policy institution for agriculture. Responsible for enforcing agricultural laws/bylaws in all land types and categorized under different forms of agricultural land use systems. Will assign National Project Director, head the Steering Committee, participate in development of policies and regulations, monitor project results and ensure project replication and embedding of results in national policies.
Ministry of Finance	Support in development of and adoption of agroenvironmental policies, review of agricultural subsidies.
Ministry of Economic Development and Trade	Support in development of and adoption of agroenvironmental policies, review of agricultural subsidies.
State Committee for the Land Resources Management	The key national agency for Component I. Will be engaged through the steering committee, ensure cooperation of stakeholders during preparation of the NKL Integrated Land Use Plan. Will be engaged in production of maps on crops, pastures, and in decision making on special land use regulations; will review and recommend the Integrated Land Use Approach for replication in other region upon successful piloting under the project. Will coordinate access to land inventory/cadaster.

STAKEHOLDER	RELEVANT ROLES AND PROJECT ENGAGEMENT
Oblast and rayon akimats	Will be among key beneficiaries for the Component I (regional integrated plan), as well as key providers of local spatial data and local development/conservation priorities necessary for proper completion of the NKL Integrated Land Use plan. Will provide co-financing from regional programs to the implementation of investment in their respective municipalities and ensure coordination with local actors (farmers, other economic actors, communities).
Forestry and Wildlife Committee of the Ministry of Agriculture of the Republic of Kazakhstan	The key national agency for Component III. The Committee is responsible for the sustainable management of forests, regulation and control of biodiversity conservation, including the creation and management of protected areas, the regulation of hunting providers and the preservation of the forest fund. The Committee oversees and seeks public funding for the creation / expansion of protected areas, including negotiations with local authorities and stakeholders through its regional offices, the preparation and justification of relevant budgets. The Committee ensures the conservation and restoration of endangered species and an effective system of managing forestry and wildlife data. The Committee initiates and lobbies for all changes in the regulatory framework in ministries and parliament. Will be engaged through the Steering committee, lead activities in operationalizing a network of high-nature value ecosystems in NKL, relevant reforestation and restoration activities as described in Component III.
Republican state enterprise “Kazvodkhoz” of the Committee for Water Resources of the Ministry of Agriculture of the Republic of Kazakhstan	Kazvodhoz is responsible for M&O, repair and refurbishment works of hydraulic structures and reservoirs of integrated use, main water supply systems and other hydroeconomic facilities. Will be engaged in project activities related to preparation of the NKL Intergrated Land Use Plan, restoration of productive and recreational capabilities of degraded lakes and wetlands.
Oblast and rayon akimats, including departments of natural resources management	Will be among key beneficiaries for the Component I (regional integrated plan) and Component III (Conservation and restoration of natural habitat), as well as key providers of local spatial data and local development/conservation priorities necessary for proper completion of the NKL Integrated Land Use plan. Will provide co-financing from regional programs to the implementation of investment in their respective municipalities and ensure coordination with local actors (farmers, forestry units, other economic actors, communities). Regional NRM departments being responsible for forest use and protection, reforestation of the state forest fund, will act as key counterparts and co-financing parties for pilot reforestation works under Component III.
Administration of state forestry institutions in northern Kazakhstan	State forestry institutions manage the lands of the forest fund outside the protected areas (about 80% of the forest area in Kazakhstan) and work under the supervision of regional akimats, receiving funding from regional budgets. The project will focus on improving the technical and institutional capacity of the target forestry institutions.
Private sector: animal owners, shepherds, farmers.	Farmers of NKL are the key users and beneficiaries of the project interventions. The project will engage them through farmer associations (or other

STAKEHOLDER	RELEVANT ROLES AND PROJECT ENGAGEMENT
	representatives) for components I, III and IV. Component II is directly designed to improve the status of farmers in NKL.
Private/financing sector: JSC Agrarian and Credit Corporation, Fund for financial support of Agriculture, KazAgroFinance, and Analytical Center of Economic Policy in the Agricultural Sector "	Since these are the key financiers of assistance to farmers, the project will partner with them directly to develop agroenvironmental incentives, which would then be included in the investment menus of these institutions and become available for testing with farmers, during Component II. The project will design the incentives so that they are suitable for business routine of the institutions and train their personnel ensuring that agroenvironmental subsidies are available to farmers further beyond project life.
Private sector: JSCs Tesna, KazlrAgro, Grain Pool, Logos Grain and Kazakh Export. Project will also partner with key retailers (Metro, Magnum, Small, Tamasha, Severny and Aushan).	These partners worked with UNDP before, and tentatively agreed to join the project in Output 2.6, helping to promote sale and marketing of green products generated by the project's Outcome II.
Extension service centers.	Extension service Centers have been active since 2001 in Kazakhstan for promoting sound agricultural land management in Kazakhstan and is one of the key partners of the project to deliver innovative knowledge and experiences. The extension services will provide support in the design of training modules on green production and implementation of hand-handling programs for farmers under Component II. Their capacities will be built and qualifications raised on different aspects of green production.
Union of Farmers of Kazakhstan.	Union of Farmers is working with national partners to overcome challenges involved in crop management, pasture and rangeland management and system of agricultural subsidy. The project will cooperate with them practically in all aspects of Component I, II, and IV. The Union will cooperate on community capacity building activities and creating principles for revision of the system of agricultural subsidies to create more benefit of the agro-environmental incentives and pasture management.
NGO Kazakhstan Environmental Conservation Center Kazecocenter and other / local NGOs	NGOs will be engaged to facilitate discussion on the NKL Regional Landscape Plan (Component I) Kazakhstan, as well as dissemination of project results.
National Kazakhstan Academy of Sciences, Kazakh Science & Research Institute for Fishery, National Grain Research Institutes, Pasture Department, Kazakhstan water institute, Kazakhstan projection institute.	Each of these institutions has a mandate for scientific research in their respective area. They are key knowledge-holder and scientific assistants in the development of policies, regulations, maps for the NKL regional Plan, green production technologies; fish breeding methods for subsequent piloting in restored lakes on NKL. Their experts will be used by the project as appropriate.

**Gender considerations:** Despite the efforts undertaken by Kazakhstan to support women in small business and improve official statistics, i.e. 52% of small businesses are run by women, women continue experiencing restrictions in accessing financial resources, that is, women are mostly involved in low-income businesses. Rural communities and especially women do not have sufficient access to capital assets, financial resources and information. Only 10% of farm enterprises are managed by women,

occupying 2.9% of agricultural lands, most of which have low land capacity. Rural women rarely have access to and control over land because of traditional patterns in land inheritance practices — land and property are transferred mainly to men. A study of the gender aspects of employment in the system of protected areas and forestry has demonstrated clear gender patterns in occupational segregation. Women are usually underrepresented in senior management positions, such as director, deputy director, and head of department.

Women and women-headed households in Kazakhstan are more prone to poverty than those headed by men, and therefore have less capacity to manage the impacts of climate change. By reducing the impacts of climate change on agricultural production, the project will reduce gender inequality and will promote gender-sensitive development. The project covers the geographic region with an estimated population of nearly 2.2 mln. people, where women constitute 43%. Thus, women are expected to benefit from the new financial scheme resulting in increased income of rural households.

In all activities due attention will be paid to gender considerations. Since women and men have various needs, the gender sensitive needs assessment will be conducted. Moreover, the project intends to build enabling spaces for women to organize and participate in community land management decision-making, as well as build women's leadership skills. The activities will also deepen understanding of the role of women and men in drought situations and response. All project activities will be implemented with explicit consideration of gender equality issues. The right balance of representation of all stakeholders benefiting from the project shall be ensured by fostering broad consultation and participation. The first nine-twelve months of the project shall carry out in-depth assessments of the national contexts, identify and set up partnerships with local enterprises and communities (under component I). Conduct trainings for stakeholders on green production, with due consideration of women-specific types of farming activities and role of women as recipients of agricultural support, under Component II. Further, under Component III, the project intends to conduct at several educational, awareness raising and advocacy events and activities on conservation and sustainable use of important natural biotopes, and one of the modules will be dedicated to ensuring gender equity in conservation, sustainable land and forest management.

A detailed gender plan, will be developed at the PPG stage. The plan will specify role of women in all project activities and develop detailed gender-focused indicators

**2.c. Describe how the integrated approach proposed for the child project responds to and reflects the Program's Theory of Change, and as such is an appropriate and suitable option for tackling the systemic challenges, and to achieve the desired transformation with multiple global environmental benefits**

The proposed approach stems from clear degradation evidence: over 4 mln ha of cropland in NKL is classified as "degraded" under UNCCD National Action Plan definition, as a result systemic challenges outlined above. High level of encroachment on birch-aspen forests, natural steppe and forest steppe, and wetlands causing habitat loss of IUCN species, has been well documented. 62% of winter and 71% of summer pastures in NKL eroded (ref. 1980s) due to uncontrolled expansion of livestock numbers and inadequate cattle management.

Business-as-usual (BAU) relies on outdated agrobusiness technologies, Government subsidies which do not favor green production and discriminate in favor of large-scale farmers, limited access of farmers to financial assistance for green production. BAU comes at high cost to environment (39% land degraded; loss of forest belts, etc.) and risk of failure to supply food under changing climate (e.g. 53% harvest loss in 2012 due to drought), becoming critical in the long term. In contrast, the project scenario (PS) relies

on recent positive enabling policies to expand access of SMEs to green markets (>80% of agricultural entities by number as opposed to large farms; 80% of livestock is owned by small-holders), helping with land restoration, diversification, soil improvement; improvement of pastures, restoration of degraded natural ecosystems; marketing, certification and sales assistance (linking to private sector).

The project's approach focuses on one of the continent's major production landscape (NKL) and relies on (1) integrated land use planning; (2) revision of BAU fiscal agricultural support system, and introduction of innovative agroenvironmental incentives to transform arable farming and cattle management, (3) demonstrating green production technologies in situ (Component II), and (4) improved efficacy of management of natural forests, lakes in wetlands in between the production areas, that are important buffers under changing climate. In line with IP FOLU priorities, the project partnership with key financiers, as well as private wholesale and retail companies to expand green value chains. Given that NKL is managed administratively by two administrations, and private sector is focused and has record of collaboration, change can be successfully achieved through a well-targeted intervention.

NKL is an important center of agriculture in Central Asia, a major production center of cereal crops (wheat, as well as barley and maize) and cattle (beef). (Note: 70% of Kazakh grain is exported). Secondary products from cropland include rapeseed, flax, sunflower seeds. Where these crops and cattle can continue to be produced without risk to environment or loss of productivity due to climate, project will work on in-situ production improvements, removing externalities. Many areas under annual crops, however, are scientifically proven to be unprofitable and destructive for environment; replacement by perennial crops (alfalfa, sainfoin, burbot, sorghum, sudangrass, and ryegrass) with appropriate disease management, water retention, choice of climate resilient varieties will benefit food security and environment at once. Support will be provided for access to funding, production, marketing, extension services, in this case. Improved access to distant pastures, innovative pasture watering, and pasture restoration will remove externalities from the cattle product value chains. Over 5,000 small and medium farmers are expected to improve security of their business, not counting replication. Secondary products of focus include fisheries (enabled through restored lakes) and hunting services (from forest restoration and more effective management of KBAs). Integrated land-use planning model will be embedded in Kazakhstan, land use techniques will become based on modern environmental science, will be site-tailored, and climate-proof, minimizing risk of harvest loss in the long-term, while insuring no negative impact on state of soils, vegetation and surrounding ecosystems. Degraded forest belts amidst agricultural areas will be restored, along-side with restoring degraded lake and wetland ecosystems, acting as corridors and buffers for the productive areas within NKL.

The specific global environmental benefits are reflected in Annex A and will be further elaborated and described at the PPG stage.

#### **2.d. Describe the project's incremental reasoning for GEF financing under the program, including the results framework and components**

In order to promote a shift to sustainable wheat production, the project proposes a three-component approach, which corresponds to the systemic challenges outlined above. Component I builds on the baseline in the area of land use planning, adding GEF funding to support cross sector collaboration, production of maps and analytical material needed to optimize land use patterns in NKL, identifying areas where wheat production requires modernization of technologies, areas where wheat production should diversify away to other crops due to particular soil and climate conditions or high level of degradation, and areas where crop production cannot happen due to presence of high value natural

areas and their role in delivery of ecosystem services. The resulting NKL integrated regional plan will reconcile environmental and economic priorities and will specify actions/pathways for “problematic” areas (e.g. abandoned cropland at various stage of degradation). High nature value will find their place and their conservation status is going to be fixed in the ILM plan. This will be supported with capacity building for all stakeholders involved in ILM, as well as by adoption or revision of regulations that might be needed to embed the project’ triggered ILM approach in law, for wider replication in Kazakhstan. Kazhydromed will be partnered with to develop a modern system of delivering actual environmental information to farmers, enabling them to make better decisions. The resulting global benefit is optimized state of natural resources (productive land, wetlands, lakes, and forest ecosystems) in NKL, i.e. at over 22 mln ha.

Component II is relying on partnership with Ministry of Agriculture and key other financiers of the agricultural support in Kazakhstan to develop new modalities of financial assistance that would become available to farmers. Unlike the BAU, the approaches are going to take full account of green crop production principles, i.e. the principle of avoiding/reducing/ compensating for any loss in soil productivity, vegetation, wheat/other crop qualities (i.e. resilience to droughts), in hydrological state of ecosystems important for agriculture (i.e. non-deterioration of water table of neighboring wetlands and lakes, improvement in the span and condition of forests). The component seeks to develop “funding windows” primarily targeting SME farmers and women (contrary to BAU), and blending GEF financing with funding from state and non-state agricultural assistance programs, in support of green wheat production (or other crop in case of need of diversification). Specific outputs have been dedicated to three broad categories of intervention (1) improved technologies for annual productive cropland (primarily wheat), (2) improved perennial cropland, (3) pasture management. With GEF incremental funding, extension services will be capacitated to deliver quality services to farmers on green production. GEF assistance will also be instrumental for support to green product marketing, working closely with food chain retail and wholesale companies. UNDP has a track-record of core-funded small projects which set up cooperation with wheat exporters and retail store companies (see Stakeholder Table); and the project collaboration with them will help boost markets for sustainable wheat as well as for crops that diversify the wheat production landscape where it is going to result in higher environmental sustainability and comparable economic profits. The resulting global benefits are hundred thousands ha of productive land under improved management, helping Kazakhstan realize its Bonn challenge target.

Component III builds on baseline investment in the field of conservation, aiming to address problems stemming from either encroachment of wheat/crop land on ecosystems or to boost ecosystem functions important to support crop agriculture in productive areas. Support to high nature value forest maintenance and management will be rendered, with GEF funding to improve the ecological condition of the pine and birch-aspen forests. In order to ensure sufficient quantity and quality of water for cropland, and prevent contamination, several lakes and wetlands are going to be restored. Given the highly mosaic nature of the NKL, the GEF project approach will rely on the “core area – corridor” approach, using the Integrated Land Use plan from Component I as a basis to build a network of High-nature value areas where crop land development must not happen. The project will then invest on the ground (jointly with Forestry and Hunting Committee and local stakeholders) in ecosystem restoration (as outlined on p.1). This will help maintain the overall resilience of the NKL, and will improve the status of ecosystems which are important providers of ecosystems services to agriculture and home to several IUCN threatened species (mentioned previously in the text).

Component IV will use GEF funding to enhance the awareness of farmers, local communities, government and the general public of the benefits of green production. It will investment in knowledge

building and dissemination through professional vocational training and academic curricula, as well as through targeted learning and knowledge events. For the transformation change to happen, it is critical to deliver appropriate information about the green production at the national level. The project will generate a set of knowledge products around the experiences of promoting sustainable wheat, landscape restoration and ecosystem conservation. These products will contribute to the FOLUR community of practice. There will be exchanges with other FOLUR projects, particularly with similar situations and/or the same commodity. Project teams will actively participate in the FOLUR community of practice and, along with government counterparts represent the project in global fora. This will also include contributing lessons to the global platform and its knowledge sharing efforts both across FOLUR and directly to the wider commodities and food system community.

All child project outputs, outcomes, activities and indicators, as well as a detailed incremental cost analysis will be undertaken at the PPG stage, in coordination and consultation with global coordination unit of the IP FOLU.

With respect to national-level upscaling, Component II addresses concretely the issues of ecosystem degradation at 22 mln ha, which alone, as mentioned in the justification section, is a major part of productive agricultural land of the country. The project will address further scaling through adoption of agroenvironmental incentives in law and revising the policies that currently bar green agriculture and better conservation of ecosystem (as per outputs 1.4 and 2.1), as well as through agreement with key financiers of agricultural support on changing their investment to better reflect green production principles. This will enable gradual uptake of concrete in-situ activities demonstrated in Component II.

With respect to international cooperation, the project team will become one of the members of the Green Commodities Platform administered by UNDP, and will through it (as well as through Component IV of the child project where relevant), engage with other countries participating in the IP AFOL, as well as with the global coordination unit. The project components have been so far well aligned with the global IP Project Framework Document, and during the PPG, the team will be in contact with the global coordination unit to ensure that activities, while making sense from the national context, remain vested in the global IP PFD framework.

For the demand side of green wheat production, the project will partner with wholesalers (including exporters to CA, Afghanistan, China, India, Iran and Turkey) such as JSCs Tesna, KazlrAgro, Grain Pool, Logos Grain and Kazakh Export, and will be able to report on its cooperation/experience both to UNDP GCP as well as to the global coordination unit of the IP. The project will also partner with key retailers (Metro, Magnum, Small, Tamasha, Severny and Aushan), several of which might be participating in other GCP or global IP countries.

### **Engagement with the Global / Regional Framework** (*maximum 500 words*)

Describe how the project will align with the global / regional framework for the program to foster knowledge sharing, learning, and synthesis of experiences. How will the proposed approach scale-up from the local and national level to maximize engagement by all relevant stakeholders and/or actors?

- The project will engage through the FOLUR global platform and the UNDP Green Commodities Program with countries and platforms outside of the country as a means to scale results and impact the broader food system.

- The project will become one of the members of the Green Commodities Community administered by UNDP. The project will support the active engagement in the Community of the project team, government counterparts as well as key project stakeholders so they can connect with the other FOLUR participating countries to learn and share relevant lessons.
- The project will coordinate with the global coordination unit housed in the FOLUR global platform. This coordination will be through UNDPs Green Commodities Program as well as FOLUR specific collaboration mechanisms established by the global platform.
- The project will connect with similar country projects within FOLUR based on similar commodities and approaches to share resources for combined and collective knowledge management products e.g. a collective guidance on sustainable crop and livestock management approaches. These products can then contribute to FOLUR wide knowledge products.
- The project will connect to global level commodity and food supply chain initiatives and networks, primarily through UNDPs Green Commodities Programme and Good Growth Partnership, as well as through other means offered by FOLUR global platform. These connections will facilitate the project linking to global buyers interested in sourcing from jurisdictions advancing towards having deforestation free commodity production and also to learn latest best practice and policy of the global markets.
- The project will support team members, government counterparts to participate in and speak at global conferences of relevance and represent FOLUR at these events. The project will ensure that the national commodity platform supported within the project is connected to the global commodity initiatives (RSPO, WCF, ICO, GRSB etc) and serves as a principal forum for convening the global and national supply chain stakeholders in the country.

Liberia

## GEF-7 CHILD PROJECT CONCEPT

CHILD PROJECT TYPE: FULL SIZED PROJECT

PROGRAM: IP FOLU

Child Project Title:	Reducing deforestation from palm oil and cocoa value chains
Country:	Liberia
Lead Agency	CI
GEF Agency(ies):	-
Total project cost (GEF Grant):	\$7,139,450
Total Cofinancing:	\$70,824,090

### PROJECT DESCRIPTION

#### 1. Country Context (*maximum 500 words*)

Describe the country's relevant environmental challenges and strategic positioning relative to the systems transformation proposed for the program, including relevant existing policies, commitments, and investment frameworks. How are these aligned with the proposed approach to foster impactful outcomes with global environmental benefits?

Liberia is a least developed, low-income, food-deficient, but forest-rich country. According to the Human Development Index, Liberia is ranked 181 out of 188 countries (UNDP 2018) and has [54% of the population living below the global poverty line, a third of which live in extreme poverty](#). An estimated [18% of Liberians are food-insecure and 2% are severely food-insecure](#), as well as [32.1% national prevalence of stunting](#), which is considered "serious" by the World Health Organization classification.

Liberia's natural ecosystems are threatened by logging, mining and agriculture, all exacerbated by the effects of climate change. As a result, the [overall rate of change in land-use has contributed to 6,500 km<sup>2</sup> of forest loss, which represents an overall loss of 15% of the 1975 forest coverage; 43.3 % of Liberia's land surface remains forest](#).

The Government of Liberia (GoL) has crafted [Vision 2030](#) to transform Liberia to middle-income status by 2030; and adopted a [Pro-Poor Agenda for Prosperity and Development](#), with four sustainable development pillars. The GoL has committed to placing the most vulnerable people at the center of the development agenda, something that can only be achieved through a holistic and multisectoral approach based on solid land-use plans and well-coordinated gender sensitive policy interventions. Currently, land-use planning is happening at the local level on an ad hoc, uncoordinated basis without harmonization across the landscape. Through the proposed project, these efforts will be harmonized and leveraged for national level planning.

The government has a [REDD+ Strategy](#), which seeks to balance commercial, community and conservation needs with the forest sector. Liberia also has endorsed the [Africa Forest Landscape Restoration Initiative](#), is a member of the [Tropical Forest Alliance \(TFA\) 2020](#) and participates in the TFA

2020 African Palm Oil Initiative having adopted principles of no net loss to achieve national [RSPO](#) certification. Liberia is engaged in the [Accountability Framework initiative](#) to help fulfil commitments for responsible agriculture and forestry supply chains. Liberia is also a voluntary partner in the UNCCD [Land Degradation Neutrality Target Setting Programme and as](#) such is developing targets towards Land Degradation Neutrality (SDG 15.3).

Liberia is already participating in the [Good Growth Partnership](#) and has made significant progress towards minimizing deforestation driven by palm oil expansion in the country. To further this work, the proposed project will use palm oil and cocoa, which already have market-driven sustainability initiatives (RSPO, [High Carbon Stock Approach](#) (HCSA), World Cocoa Foundation, Cocoa & Forest Initiative) and can provide opportunities for investment by the private sector to potentially improve market access and ensure sustainable production.

Working with industry bodies, such as the HCSA, the RSPO and the [World Cocoa Foundation](#), Liberia could become a model of sustainability for heavily forested countries globally through identifying gender sensitive practical and locally appropriate ways to conserve forest while supporting sustainable livelihoods. The project will leverage the growing experience of organizations across Liberia that are piloting innovative approaches, as well as build on private sector partnerships with companies interested in shaping their investments to promote sustainable development.

**a) Project Overview and Approach (*maximum 1250 words*) Provide a brief description of the geographical target(s), including details of systemic challenges, and the specific environmental threats and associated drivers that must be addressed;**

The proposed project will be implemented in Northwest (NW) Liberia Landscape (plus the development of a national land-use plan). NW Liberia landscape is about 2.5 million ha in Lofa, Grand Cape Mount, Bomi, Gbarpolu and Bong counties, and home to [570,000 people](#). The forests include deciduous, rainforest and mangroves. The landscape contains 40% of the Western Guinean Lowland forest ecoregion, featuring some of the [highest biological diversity in all of Africa](#).

Northwest Liberia provides vital ecosystem services including provisioning, regulating, supporting and cultural that are essential for many species and livelihoods for local communities. The area is threatened by the expansion of concessions (Sime Darby has acquired more than 220,000 ha); and from unsustainable agriculture systems. Cocoa production is at smaller scale but is growing. In addition, invasive elephant grass is expanding southwards, prohibiting forest regrowth and traditional agricultural practices.

Most rural households are food-insecure due to limited agricultural production across the country. Agriculture supports at least 75% of the population.

Extremely limited economic development means that the local population is heavily reliant on natural resources, yet there is no land-use plan, thus, leading to uncoordinated development activities and unintentional impacts. Consequently, partner interventions are not yielding as much impact as they could as lessons are not being shared between localities.

**b) Describe the existing or planned baseline investments, including current institutional framework and processes for stakeholder engagement and gender integration;**

Existing and planned investments of \$10,074,090 for related work to be completed between 2019-2022 include:

- (i) US\$ 6,793,780 biodiversity conservation project in Gola and Wonegizi, 2020 – 2022, funded by European Union, aims at supporting biodiversity conservation both in formally protected areas and in community-managed forests throughout the NW landscape;
- (ii) US\$ 1,698,440 strengthening Local Communities and the Law Enforcement Network project, 2019 – 2021, funded by the European union, aims at strengthening local communities and Liberia’s law enforcement actors in the fight against the illegal wildlife trade;
- (iii) US\$ 1,062,870 Gola Cocoa: Protecting Forests and Empowering People project, 2019-2023, funded by Partnerships for Forests, aims at supporting the development of a market value chain for premium "green" cocoa in the Greater Gola Landscape; and
- (iv) US\$ 519,000 Community Forestry project in the Gola Landscape, 2019 – 2021, funded by Rainforest Alliance, aims at consolidating the work being carried out in 5 community forests in the Gola Landscape by supporting the extension of this successful model to other parts of the landscape.

Currently, there is a partnership that includes organizations such as Conservation International-Liberia, [Fauna and Flora International](#) (FFI), [The Royal Society for the Protection of Birds](#) (RSPB), [Society for Conservation of Nature of Liberia](#) (SCNL), the [Wild Chimpanzee Foundation](#) (WCF), [The Sustainable Trade Initiative](#) (IDH), [World Resource Institute](#) (WRI) and the Government of Liberia through the Environmental Protection Agency, National Bureau of Concessions, Forestry Development Authority and the Ministry of Agriculture.

Liberia does not currently have comprehensive land-use plans to guide development activities, but the proposed project will develop a national and NW Liberia landscape land use plans that will identify areas for production, protection and restoration. Current development of local land-use plans are not well coordinated, nor harmonized across the landscape. This work will be informed by the 2017 [Natural Capital Mapping of Liberia](#).

The two primary commodity value chains already present in the landscape and targeted by this project are oil palm and cocoa. The project will build on existing initiatives to ensure sustainable production. Research by one of the partners -RSPB suggests that shade-grown cocoa can play an important role in connecting areas of primary forest and can provide economic value to a standing forest, minimizing the risk of it being cleared.

Through the [GGP](#) and [IDH’s Sustainable Landscapes program](#), project partners have made significant progress in advancing a new model for sustainable, community-based palm oil in NW Liberia. This model will support local farmers to grow oil palm responsibly by facilitating access to finance and technical assistance from private sector linked with safeguards for forest management. Project partners are working at multiple levels, with investors, communities, plantation companies, government and the market, to support development of a sustainable palm oil model for Liberia.

Gender action and stakeholder engagement plans in line with GEF and CI-GEF Agency’s requirements will be developed during PPG to ensure full and equitable male and female participation, representation in, access and benefit from project activities. Gender considerations will be implemented throughout the project lifecycle including collection of sex-disaggregated data.

It is expected that a wide array of national and local government agencies, private sector organizations, CSOs, NGOs, and local communities will be involved in project preparation and implementation phases. This project will fully engage local communities living in and around key forests affected by this project through participatory planning and the use of best practices in community engagement.

The project will seek to engage with all stakeholders within the community, including any potentially marginalized groups, through current leadership structures and add to or strengthen these groups when key stakeholders are underrepresented. Monitoring systems that include necessary sex disaggregation to track this full engagement throughout the life of the project will be developed.

**c) Describe how the integrated approach proposed for the child project responds to and reflects the Program's Theory of Change, and as such is an appropriate and suitable option for tackling the systemic challenges, and to achieve the desired transformation with multiple global environmental benefits; and**

Current work is taking place without systematic, comprehensive, and integrated land-use plans and for some, priority has been given to development activities rather than sustainability. To address these deficiencies, the project proposed to invest in the development of national and landscape level land-use plans that link production, biodiversity loss reduction and restoration. The proposed project will harmonize ongoing work into one unified program embedded within national strategies and approaches.

The development of a coarse national land use plan will then be used to inform the development of a finer landscape-wide land use plan in Northwest Liberia based on deep understanding of local context. This will consider work already underway by various partners on land use planning including those in Lofa, Foya, Gola and Sime Darby's concession area and will seek to harmonize these approaches at the national level. The keystones to the land use plan in the NW Liberia Landscape will be five protected areas (Wonegizi, Wologizi, Foya, Gola, Lake Piso) to identify areas for pure conservation, which will then allow the project to support communities to transition to the use of climate-smart agricultural practices, both for subsistence and across commodity (palm oil and cocoa) supply chains.

The identification of areas for production, reducing biodiversity loss and restoration will provide the opportunity for an integrated approach to foster climate smart agriculture and sustainable land management while also increasing the prospects for food security for smallholders and communities that are dependent on natural resources for their livelihoods. In addition, restoring agricultural productivity will reduce Greenhouse Gas (GHG) emissions and enable Liberia to meet its Nationally Determined Contributions (NDCs) and Sustainable Development Goals (SDGs).

On production, the project will focus on the establishment and promotion of two responsible value chains – cocoa and oil palm, coupled with the development of more intensive and sustainable production of the important food crops of rice, cassava, vegetables and fruits. Oil palm and cocoa are key drivers of deforestation and land use change in Northwest Liberia Landscape. The promotion of responsible production of cocoa and oil palm will reduce loss of biodiversity and ecosystem services and improve sustainable production of food and cash crops is vital in achieving scalable GHG emissions reductions from agriculture through avoided deforestation of high conservation and carbon stock forests.

Further, the project will restore 15,000 ha of highly degraded agricultural areas in the Lake Piso Multiple-Use Reserve and in Lofa County, north of the Foya Proposed Protected area so as to improve soil management and increasing soil organic matter content, increasing the vegetation and tree coverage, and thereby generating multiple environmental and socio-economic benefits. The proposed project seeks to make investments that will shift degraded lands into production systems for food and commodities and enhance ecosystem services. This will be synergized by involving smallholder farmers and local communities and facilitating a mutually beneficial engagement with the private sector anchored on the [GGP](#). In this way changes to crop and commodity production pathways will be made before irreversible damage is done to agro-ecosystems in NW Liberia landscape. The work with the private sector, throughout the supply chains and with key industry bodies such as the High Carbon Stock Approach Group, the Roundtable on Sustainable Palm Oil and the World Cocoa Foundation, and environmental and social organizations to ensure alignment and support reflects a commitment to sustainable production more broadly can be replicated.

The proposed project also seeks to leverage partnership interventions across all of NW Liberia, bringing together what are currently separate and parallel interventions into one unified program embedded into national strategies and approaches. This project benefits from being a multi-partner collaboration to build ownership and accountability for environmental, social, economic development initiatives with a learning platform for sharing lessons across the country, thus, ensuring that the landscape model for the NW Liberia landscape is adopted across the country. This project will be the first of its kind in Liberia and will deliver a model that allows Liberia to advance in sustainable development. Our focus on both public and private sector engagement will allow for key issues to be addressed such as establishing Liberia's national definitions of high carbon stock and high conservation value and put these definitions into practice.

Finally, the proposed project will also work to streamline the different knowledge management platforms currently in place by establishing a physical Community Resource Centre and an integrated online Knowledge and Learning Platform to improve information sharing, adaptation abilities and scalability, leveraging success across multiple interventions and other child projects.

The global benefits will be: food-insecurity will be halved in NW Liberia landscape, approximately 365,000 ha, including high carbon and biodiverse areas, will have improved protection and management, and about 24.27 MtCO<sub>2e</sub> mitigated.

**d. Describe the project's incremental reasoning for GEF financing under the program, including the results framework and components.**

Current work is taking place without systematic, comprehensive, and integrated land-use plans and for some, priority has been given to development activities rather than sustainability. To address these deficiencies, the proposed project's investment in the development of national and landscape level land-use plans that link production, biodiversity loss reduction and restoration. The proposed project will harmonize ongoing work into one unified program embedded within national strategies and approaches. Currently, inadequate funding threatens to constrain implementation of key measures identified as priorities for reducing biodiversity loss in the landscape.

Without the proposed project, livelihood activities will continue to be carried out without explicit commitments on reducing biodiversity loss, thus creating competition for resources or poor planning.

Activities to reduce biodiversity loss will continue to be ad hoc and piecemeal in their approaches. The proposed project's alternative livelihood training and support for socio-economic improvements for male and females will incentivize behavioral change and lessen dependence on unsustainable natural resource uses.

Without this project, the ecosystems in NW Liberia landscape, which contain key biodiversity areas, will be lost. Food-insecurity that communities currently face will go unaddressed. This project will help sustain flows of ecosystem services by halting the ongoing destruction of forests and thus support improved and continued availability of ecosystems services, such as carbon sequestration, nutrient filtration, food, medicines, soil stabilization etc.

Without the proposed project, there will be no proper and coordinated knowledge management system for NW Liberia Landscape as there will be no platform for sharing experiences and lessons learned, and evaluation of outcomes by different development and conservation actors.

The proposed project will restore 265,000 ha (15,000 ha directly and 250,000 ha indirectly) of degraded agricultural land and ensure 950,000 ha (200,000 ha directly and 750,000 ha indirectly) are under sustainable land management; improve the management of 650,000 ha (100,000 ha directly and 550,000 ha indirectly); avoid loss of 876,066 ha (50,000 ha direct and 826,066 ha indirect) of high conservation value forest that would be 100% deforested without this project; and directly benefit 50,000 people. These results will be achieved through the following four components: (i) development, adoption and implementation of national and NW Liberia Landscape land-use plans; (ii) promotion of sustainable production practices for food crops, palm oil and cocoa, supported by responsible value chains; (iii) Biodiversity loss reduction and restoration of natural habitats; and (iv) management, coordination, collaboration and monitoring and evaluation.

## **2. Engagement with the Global / Regional Framework (*maximum 500 words*)**

**Describe how the project will align with the global / regional framework for the program to foster knowledge sharing, learning, and synthesis of experiences. How will the proposed approach scale-up from the local and national level to maximize engagement by all relevant stakeholders and/or actors?**

The proposed project will place substantial emphasis on lesson learning, dissemination and uptake. These processes will unfold at multiple levels, beginning at the landscape and working upwards through sub-national and national, regional platforms and, finally, to participation in the Global Landscapes Forum Community of Practice (CoP). At the regional level, since Liberia is a leading member of the Africa Palm Oil Initiative, sharing of experiences and lessons learned in Liberia will be done with other frontier palm oil and countries in Africa. Similarly, coordination and sharing of lessons and experience with other cocoa growing countries in West Africa e.g. Ghana and Côte d'Ivoire will be undertaken. Thus, learning, exchange and co-operation will take place both within and outside countries via project-supported exchange fora, which will enable and guide much of the project's support to enhance south-south learning, cooperation, technology transfer, and networking among a broad array of practitioners.

In addition, there will be numerous opportunities for sharing lessons learned within the landscape, national level and among child pilot projects that face similar challenges, particularly at the regional and global levels. This will create significant opportunities for south-south co-operation. Success stories will figure prominently among the lessons being shared, with the goal of ensuring extensive within- and between-child projects uptake and replication. Opportunities will also be identified and pursued for exchanges with other child projects and other, GCP and GEF commodity projects in order to optimize

institutional learning and dissemination in key technical areas related to the cocoa and palm oil production – deforestation nexus.

The proposed project team, in close co-operation with the adaptive management and learning team, will engage regularly with external partners, and participate at key events to disseminate information through media coverage, publications and presentations, all of which will facilitate South-South learning. Study tours will be organized in co-operation with other child projects to enable practitioners from other child projects in the South to exchange experiences, thereby facilitating learning especially through the Global Landscapes Forum, Global Partnership on Forest and Landscape Restoration (GPFLR) and the Global Restoration Council that support the Bonn Challenge.

The proposed project will leverage and strengthen the current multi-stakeholder forums at the landscape level established under the Good Growth Partnership. As this platform continues to grow and achieve success in the palm oil sector it could also be used to integrate other key agricultural crops such as cocoa, cassava and rice especially in an agroforestry setting.

There will also be significant stakeholder engagement with leaders from industry, civil society, government, etc. to get buy-in for the project. The proposed project will work with industry initiatives, such as the High Carbon Stock Approach Group, the Roundtable on Sustainable Palm Oil and the World Cocoa Foundation, and environmental and social organizations to ensure alignment and support. Thus, Liberia could become a model of sustainability for heavily forested countries globally. We can leverage the growing experience of organizations across Liberia that are piloting innovative approaches, as well as build on private sector partnerships with companies interested in shaping their investments to promote sustainable development.

Malaysia

## GEF-7 CHILD PROJECT CONCEPT

**CHILD PROJECT TYPE: Full-sized Child Project**

**PROGRAM: IP FOLU**

<b>Child Project Title:</b>	Integrated Landscape Management of Heart of Borneo landscapes in Sabah and Sarawak
<b>Country:</b>	Malaysia
<b>Lead Agency</b>	UNDP
<b>GEF Agency(ies):</b>	
<b>Total project cost (GEF Grant):</b>	\$7,368,807
<b>Total Cofinancing:</b>	\$90,000,000

## PROJECT DESCRIPTION

### Country Context

*Describe the country's relevant environmental challenges and strategic positioning relative to the systems transformation proposed for the program, including relevant existing policies, commitments, and investment frameworks. How are these aligned with the proposed approach to foster impactful outcomes with global environmental benefits? (maximum 500 words)*

Malaysia is a megadiverse country, richly endowed with biological diversity in its forests and marine ecosystems. The tropical rainforests of the East Malaysian States of Sabah and Sarawak<sup>31</sup> are important global carbon sinks, and are also home to over 6,000 species of flowering plants, 450 bird species and 42 endemic mammal species. Globally significant species include the orangutan, Proboscis monkey, sun bear, Banteng/Tembadau, Sumatran rhino, Borneo pygmy elephant and clouded leopard. The 200,000 km<sup>2</sup> "Heart of Borneo" area of ecologically interconnected rainforest involves international cooperation between Indonesian Kalimantan, Sabah and Sarawak, and the nation of Brunei Darussalam. The goal of long-term conservation and sustainable use of forests in Malaysian Borneo is confronted by a number of threats and challenges, however. In recent decades, conversion and degradation of forest and peatland habitat have proceeded apace, driven by logging and expansion of oil palm and wood product plantations, as Sabah and Sarawak seek to promote economic development, albeit at the cost of long-term loss of significant natural capital.

The country is strategically positioned to turn this situation around, building on its historical commitment to forest conservation, through the network of protected areas across peninsular Malaysia and Borneo, and through implementing best-practice reduced impact logging in Sabah since the 1990s. The project will help fulfil Malaysia's pledge, made in 1992, to maintain at least 50% of its land area under forest and tree cover in perpetuity, in addition to signing the three Rio Conventions and the Paris Agreement. The

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<sup>31</sup> At the time of the submission of this Concept, Sarawak State is analysing the best suitable area for the proposed project interventions in the Heart of Borneo in full alignment with the FOLUR project concept and target contributions to GEBs/GEF core indicators. This analysis will inform the definition of the specific landscape during the project preparation phase.

Eleventh Malaysia Plan 2016-2020 sets out the country's vision for enhancing environmental sustainability through green growth. As the world's second largest producer of CPO, Malaysia has made a commitment to universal MSPO-certification by end 2019. The National Commodities Policy 2011-2020 limits oil palm expansion to 1.6% per year, and only on degraded / other agricultural land. Both the Sabah and Sarawak Governments have a policy to keep 50% of the state under forest cover, controlling expansion of commodities. There will be no further expansion of palm oil on lands under the Sabah Forestry Department, and the state has committed to a deforestation-free supply chain by 2025, through a multi-stakeholder Jurisdictional Certification Steering Committee. The Government of Sarawak has decided to stop issuing new licences for oil palm plantation expansion.

The project is well aligned with the FOLUR impact program approach in working to promote sustainable integrated landscapes, address negative externalities in production landscapes, and promote deforestation-free supply chains for palm oil. The project components will facilitate the development of integrated landscape management systems in Sabah and Sarawak states, with multi-stakeholder participation for effective land-use planning and management. Conservation and restoration of natural habitats through public-private-community partnerships will enable valuable HCV and HCS forest areas in the Heart of Borneo to be connected, enhancing ecosystem services and providing connectivity for wildlife. Promotion of responsible value chains for palm oil and smallholder support will be undertaken through multi-stakeholder engagement at state level, diversifying and improving agricultural practices to improve smallholder livelihoods and utilizing GHG-emitting palm oil mill effluent for electricity generation.

### **Project Overview and Approach** *(maximum 1250 words)*

*Provide a brief description of the geographical target(s), including details of systemic challenges, and the specific environmental threats and associated drivers that must be addressed*

The proposed landscape of 2,800,000 ha in Sabah and Sarawak contains a large area of Permanent Forest Estate under Sabah Forestry Department and Forest Department Sarawak, including protected natural forest in Class I, VI and VII Forest Reserves, as well as production forest used for timber and wood products, and some oil palm. Approximately 80,000 ha of concession land inside Sabah's forest is under oil palm, with 7,336 ha inside Sarawak's concessions. Negotiations will be undertaken through the project on land inside concessions that is currently earmarked for oil palm – 120,000 ha in Sabah, and 125,794 ha in Sarawak. Over 30% of the landscape forms part of the Heart of Borneo transboundary conservation initiative, supported by WWF & partners. The western half of Sabah outside the forest reserve contains 174,506 ha of globally significant forest which could be developed by smallholders for commodity plantations. The landscape contains forest ecosystem types vital as habitats for critically endangered and/or endemic species incl. Bornean elephant, Bornean orangutan, Banteng, Hose civet, Clouded leopard, Malayan sunbear & Helmeted Hornbill. The Sarawak part of the landscape includes the Lawas, Trusan and Limbang watersheds, and the existing and proposed Pulong Tau national park and Bario highlands.

Systemic challenges include an inadequate enabling environment for integrated land use planning and monitoring to meet Malaysia's global environmental commitments, whilst addressing the full range of Sustainable Development Goals. In Sabah and Sarawak in Malaysian Borneo, although the Permanent Forest Estate is well managed by State Governments for sustainable production and protection of natural forests, there is a lack of strong and participatory governance outside of this estate, on "alienated land" managed by state ministries responsible for lands and survey, agriculture, and rural development, as well

as district councils and traditional village authorities. This in turn leads to unplanned land use change, including uncontrolled expansion of commodity crops, particularly oil palm. Despite important investments by major CPO-buying multinationals in strengthening supply chains for certified palm oil, it remains difficult for companies wishing to source responsibly to trace the origins of palm oil from within these states. Loss of high conservation- and carbon-value forest continues and is not tracked via participatory monitoring systems with the buy-in of all stakeholders. Stakeholders including smallholders, district authorities, concession companies, and community-based organizations lack a forum in which to develop a shared vision to plan and manage land use for an optimal balance of environment and development benefits, and leverage further investment.

*Describe the existing or planned baseline investments, including current institutional framework and processes for stakeholder engagement and gender integration*

Existing and planned baseline investments by the Federal Government of Malaysia include USD 13 million to be spent through the Ministry of Agriculture and Agro-based Industry in support of sustainable agricultural production, as well as USD 7,5 million to be spent through the Ministry of Primary Industries on improving the sustainability of palm oil production. The Sabah Forestry Department has made strides in converting selectively logged areas inside forestry concessions into protected areas, and doing enrichment planting for restoration after logging. This will continue under the baseline, with a projected USD 52,5 million to be spent over the next decade in Sabah, and USD 15 million in Sarawak for similar work. Baseline investments of USD 9,5 million by the Federal Government, Sabah Foundation and WWF will expand protection and restoration of forest in Sabah and Sarawak. Threats will remain, however, in 120,000 ha of concession land inside the forest estate currently earmarked for oil palm. In addition, 175,000 ha of high-value forest outside the forest estate in the Sabah portion of the project landscape will remain under threat of conversion by smallholders to palm and other commodity crops, with concomitant loss of connectivity, carbon sinks, food security, and community access to forest resources. An area of approximately 100,000 ha of forest lands is similarly under threat of commodity expansion in the Sarawak portion of the project landscape.

State-wide mapping of HCV and HCS forests in Sabah is nearly completed, and will be undertaken also in Sarawak. Forward-thinking plantation companies and mills are engaging in planning to protect high-value forest inside their concessions. What is missing, however, is a comprehensive land use planning approach linking production, conservation, and restoration at scale – including land outside the forest reserve under traditional authorities, district and state government. A participatory approach to involving communities, including women and men, as well as socially marginalized groupings, in planning and management of land and forest resources, including options for sustainable livelihoods, is as yet to be developed. In addition, the very positive baseline of multi-stakeholder engagement on sustainable palm oil begun in Sabah needs to be complemented by developing stakeholders' capacity, and a model for financial sustainability, and needs to be extended to Sarawak. In the baseline, companies belonging to the Consumer Goods Forum will continue to strive to apply the Sustainable Palm Oil Sourcing Guidelines, with an anticipated USD 15 million to be spent on strengthening supply chains for sustainable palm oil. Buyers such as Unilever, Wilmar and Sime Darby will invest in traceability and support the Jurisdictional Certified Sustainable Palm Oil initiative on promoting certification with small and medium producers, but the goal of a proven deforestation-free jurisdiction may remain remote unless a more integrated and comprehensive approach is catalysed.

*Describe how the integrated approach proposed for the child project responds to and reflects the Program's Theory of Change, and as such is an appropriate and suitable option for tackling the systemic challenges, and to achieve the desired transformation with multiple global environmental benefits*

The project's integrated approach contributes to the FOLUR program's theory of change, advancing the global agenda of fostering transformational change and greater environmental sustainability in food systems and land management. Simultaneously addressing commodity supply chains, land use planning systems and landscape-level restoration enables systemic barriers to conservation of globally valuable forests and peatlands to be addressed. Initiatives to conserve remaining natural habitats would not succeed in isolation, and need to be complemented by restoration. Because many forested areas have become degraded and fragmented, land use planning will include identifying areas needing restoration to restore ecosystem services and enhance connectivity. Conservation and restoration need also to be integrated with efforts to address the direct drivers of forest loss, including the expansion of commodity crops in response to growing global demand, particularly palm oil. Engagement with companies and smallholders making land use decisions is necessary to guide expansion of plantations onto already transformed lands, avoiding further forest loss. Sustainable intensification will be achieved through increasing yields from current plantations through improved agricultural practices, and in some areas replanting matured trees with new and high-yielding stock. Pressure for such responsible strategies will be applied by domestic and international companies seeking to buy palm oil from a certified plantation or mill, or traceable to a jurisdiction where deforestation has been contained. The project will connect to global level commodity and food supply chain initiatives and networks, primarily through UNDP's Green Commodities Programme and Good Growth Partnership, as well as through other means offered by FOLUR global platform. These connections will facilitate the project linking to global buyers interested in sourcing from jurisdictions advancing towards having deforestation free commodity production and also to learn latest best practice and policy of the global markets. Integral to both land use planning and responsible sourcing will be monitoring of forest cover and the footprint of palm oil, with sanctions for land users who deviate from agreed plans. Finally, the participation of smallholders, which will consider a gender-sensitive approach, will be facilitated through supporting their capacity development, organization and income diversification. This integrated strategy is thus appropriate in tackling the challenges in a systemic manner that allows for transformation of the entire system of land utilization and management.

*Describe the project's incremental reasoning for GEF financing under the program, including the results framework and components.*

The project builds on a baseline of efforts planned over the next decade by both public and private sector to promote forest conservation and sustainable commodity certification. Under the baseline scenario, despite these efforts, expansion of oil palm and other commodities is likely to continue, causing ongoing loss of forests and the ecosystem services they provide. The project aims at an integrated and systemic approach to tackling these challenges, with incremental GEF resources providing the catalyst for transformational change. This will involve engaging in simultaneous efforts to involve stakeholders in planning and managing land, to restore forest and peatland for connectivity, to diversify and strengthen smallholder livelihoods, and to sustainably intensify and contain the footprint of the palm oil sector. The components of the project, their expected outcomes and indicators that will be tracked to monitor progress towards these outcomes, are set out below:

**Component 1:** Development of integrated landscape management systems in Sabah and Sarawak

This component involves intra-governmental coordination, integration of spatial data, and multi-stakeholder participation in order to develop landscape and district-level land use plans and management guidelines. It also works to achieve policy harmonization and new financing sources to scale up ILM approaches across Sabah and Sarawak and peninsular Malaysia.

*Indicators: Enabling environment for effective landscape and district-level planning and management is strengthened with a total of 2,800,000 ha under improved management*

**Component 2:** Promotion of responsible value chains for palm oil and smallholder support

This component seeks to strengthen value chains for sustainable palm oil through strengthening the current jurisdictional approach in Sabah through the JCSPO, and engaging stakeholders in dialogue in Sarawak. It also strengthens state and company partnerships for smallholder support, both on sustainable farming and in sustainable palm oil chains.

*Indicators: Jurisdictional Certified Sustainable Palm Oil Initiative in Sabah is financially self-sustaining, and a similar multi-stakeholder platform has been established in Sarawak; 50,000 ha of agricultural land are restored to enable sustainable intensification, with 80,000 ha under sustainable farming and mixed agroforestry; and 46,010 women & 50,416 men receive extension & livelihood support*

**Component 3:** Conservation and restoration of natural habitats through public-private-community partnerships

This component involves public-private-community partnerships to restore and connect areas of globally valuable forest that also provide wildlife corridors, through state forestry departments restoring selectively logged and degraded forests, companies creating voluntary set-asides, and communities engaging in co-management agreements.

*Indicators: A forested area of 150,000 ha is restored; and 30,000 ha of forest is protected under new community co-management agreements, and 4 million tons of CO<sub>2</sub>-equ GHG emissions are avoided through restoration and avoided forest loss*

**Component 4:** Knowledge management and impact monitoring

In this component, lessons are fed into the global FOLUR impact program, and learning exchanges are conducted within and beyond Malaysia for replication of best practice, with knowledge management to capture and disseminate lessons learnt, and partnerships set up to supplement project M&E with longitudinal studies on impacts of forest restoration and community co-management.

*Indicators: Successful annual learning exchanges allow learning and cross-fertilization between Sabah and Sarawak, between the Malaysia, Indonesia, Papua New Guinea (PNG) and other FOLUR child projects, and across the FOLUR program. KM products generated around the experiences of promoting deforestation-free commodities, sustainable food crops and restoration across landscapes.*

## **Engagement with the Global / Regional Framework**

*Describe how the project will align with the global / regional framework for the program to foster knowledge sharing, learning, and synthesis of experiences. How will the proposed approach scale-up from the local and national level to maximize engagement by all relevant stakeholders and/or actors? (maximum 500 words)*

The project has the potential for impacts well beyond the target landscape in Sabah and Sarawak, since it will influence landscape-level planning for other commodity sectors and across Malaysia. Through engagement with global supply chains, including building responsible demand in Asian markets, the

project will have an impact on the global supply chain for sustainable palm oil, contributing to transformation of global commodity production to become more socially, economically and environmentally sustainable, and to halt tropical deforestation. In order to achieve this, the project will engage through the FOLUR global platform and the UNDP Green Commodities programme with countries and platforms outside of the country as a means to scale results and impact the broader food system. The project will become one of the members of the Green Commodities Community administered by UNDP and will support the active engagement in the Community of the project team, government counterparts as well as key project stakeholders so they can connect with the other FOLUR participating countries to learn and share relevant lessons. Although commodity crops are vital for the country's continued economic development, bringing jobs, income for smallholders, tax revenue and foreign exchange earnings, Malaysian society is at a critical juncture in weighing up the costs of further expansion against the loss of important local benefits, such as non-timber forest products utilized by rural communities, and global benefits, such as carbon sequestration, and is working for societal consensus on the need to contain the footprint of commodity expansion. Lessons from engagement in palm oil supply chains will be shared with other export sectors, leveraging large-scale change in Malaysia's approach to agricultural development planning. Pathways to scale are built into the project design, such that lessons learnt can be shared through with palm oil-producing states in peninsular Malaysia states, with multi-stakeholder dialogues facilitated on palm oil and other commodities. Best practice models of smallholder engagement and support can also be replicated across the country's 650,000 palm oil smallholders.

Experiences from the landscape on transformational change in land use planning, food and commodity systems will also be shared through South-South cooperation with other countries participating in the FOLUR program. In particular, opportunities will be built into the project for international exchanges between Malaysia, PNG and Indonesia on strengthening supply chains for sustainable palm oil. The project will connect with similar country projects based on similar commodities and approaches to share resources combined and collective knowledge management products for example, a collective guidance on sustainable palm oil or jurisdictional approaches. These products can then contribute to FOLUR wide knowledge products. Innovations within the Malaysia project will be shared with other countries where relevant, for example, work to scale up a circular economy approach – derisking investment in use of palm oil biomass solid waste for bio-fertilizer, waste to energy through pyrolysis, gasification and briquette production for biofuel, production of plywood/particle boards, fibre-mats, bio-char and activated carbon, biochemical extraction of nutrients, and production of biogas from methane emitted by sludge ponds of mill effluent; scaling up of finance for forest restoration; and cooperation with financial institutions including green sukuk on integrating jurisdictional criteria into policies for loans to palm oil industry and smallholder cooperatives. The project will ensure that the national commodity platform supported within the project is connected to the global commodity initiatives (RSPO, WCF, ICO, GRSB etc) and serves as a principal forum for convening the global and national supply chain stakeholders in the country. Project staff and key government counterparts will also participate in the community of practice developed through the GEF-funded Good Growth Practice, helping to enhance their skills in multi-stakeholder engagement for transforming commodity sectors.

Mexico

## GEF-7 CHILD PROJECT CONCEPT

CHILD PROJECT TYPE: FULL-SIZED CHILD PROJECT

PROGRAM: IP FOLUR

<b>Child Project Title:</b>	Connecting watershed health with beef production (CONNECTA)
<b>Country:</b>	Mexico
<b>Lead Agency</b>	WB
<b>GEF Agency(ies):</b>	WB
<b>Total project cost (GEF Grant):</b>	\$13,761,468
<b>Total Cofinancing:</b>	\$103,581,000

### PROJECT DESCRIPTION

1. Country Context (*maximum 500 words*)

Describe the country's relevant environmental challenges and strategic positioning relative to the systems transformation proposed for the program, including relevant existing policies, commitments, and investment frameworks. How are these aligned with the proposed approach to foster impactful outcomes with global environmental benefits?

Mexico is the seventh producer of beef worldwide and devotes 54% of its territory to livestock. INECC estimates that this activity generates 10.3% of GHG in the country. Unsustainable ranching is one of the main drivers of deforestation. Mexico is one of five countries with largest forest cover in Latin America and the Caribbean, but FAO (2006) projects that Mexico will be one of the four countries in the region that will contribute to 80% of forest loss by 2020 based on its average annual loss of 318,000 ha between 1990 and 2005. Forest loss causes a decrease in biodiversity in a country that safeguards 10 to 12% of global biodiversity and is the origin of 94 cultivars that comprise 15% of the human diet. Unsustainable livestock and agriculture are the cause of soil degradation and river pollution. The loss of ecosystem services will be further exacerbated by climate change, since Mexico is one of the countries most affected by it.

To ensure food for its growing urban population it is urgent for Mexico to conserve its biodiversity, recover its ecosystem services and adopt sustainable agricultural practices. Mexico committed to land degradation neutrality by 2030 and is part of the Initiative 20x20. Mexico joined the Bonn Challenge in 2014. Its voluntary goal of restoring 8.5 million ha by 2020 is the most ambitious in the region. Mexico has developed the National Biodiversity Strategy of Mexico and its 2016-2030 Action Plan, while it published its 2016-2022 Strategy to Integrate the Conservation and Sustainable Use of Biodiversity in the Agricultural Sector. Mexico developed the REDD+ National Strategy, Law on Climate Change, Special Climate Change Program and Nationally Determined Contributions, which include mitigation of emissions through reduction of deforestation and through carbon sequestration from improved agricultural practices.

Mexico has a strong national system of protected areas and has been successful at halting deforestation through the Payments for Ecosystem Services (PES) Program from CONAFOR. The "Coastal Watersheds Conservation in the Context of Climate Change" project (C6) financed by GEF was successfully implemented by INECC, CONAFOR, the National Commission for Protected Areas (CONANP), and the Mexican Fund for the Conservation of Nature (FMCN). This collaboration resulted in Integrated Watershed Action Plans (IWAPs) based on climate change scenarios. IWAPs align investments, such as PES, at the landscape level. The social participation process for their elaboration triggered interest in the agricultural and livestock sectors, thus developing the design of CONECTA.

Under the new federal administration there are advances that favor CONECTA's objective. The 2019 Operation Rules for SADER's Livestock Development Program include the maintenance and recovery of pastures. The 2019 Sowing Life Program of the Ministry for Welfare encourages producers to establish agroforestry systems to generate jobs, encourage food self-sufficiency, improve livelihoods and recover forest cover. In 2019 SADER signed the National Agreement for Food Self-Sufficiency to increase food production and sustainability.

In spite of these advances, changes are not occurring at the scale and pace required to address present trends of land degradation, increasing demand for beef and effects of climate change. Most rural producers are small owners that do not add value to their products. Livestock is sold as heads of cattle and coffee as unprocessed berries. Low income is pushing producers to even less sustainable land uses and expansion into forested areas. Forums have brought together development banks, such as FIRA and Financiera Nacional, as well as impact investors, including BanBajío, Sabadell and the Mexican Stock Market. They show commitment to invest, while some producers are slowly adopting regenerative ranching. However, there is an urgent need for capacity building towards land restoration, organizing producers into enterprises, and linking producers to investors along the value chain.

## 2. Project Overview and Approach (*maximum 1250 words*)

Provide a brief description of the geographical target(s), including details of systemic challenges, and the specific environmental threats and associated drivers that must be addressed;

According to the 2017 analysis by the National Commission on the Knowledge and Use of Biodiversity (CONABIO), ecosystem integrity due to land degradation is lowest in the central region of Mexico from coast to coast, where most of the cultivars originated and where high endemism and biodiversity are found, since this region is where nearctic and neotropical biota meet. The project focuses on nine watersheds in this region that cover 1,816,719 ha on the Gulf of Mexico in the state of Veracruz and on the Gulf of California in the state of Jalisco (see map in Annex A):

1,441,655 ha on the eastern coast of Mexico (Gulf of Mexico):

- 1) Tuxpan river watershed: 675,500 ha,
- 2) Jamapa river watershed: 391,800 ha,
- 3) Antigua river watershed: 217,600 ha,
- 4) Huazuntlán river watershed: 122,073 ha,
- 5) Temoloapa river watershed: 34,682 ha;

375,064 ha on the western coast of Mexico (Gulf of California):

- 6) Pitillal river watershed: 43,207 ha,
- 7) El Cuale river watershed: 26,674 ha,
- 8) Juntas river watershed: 32,773 ha,

9) Ameca river watershed: 272,410 ha.

Through a series of workshops these watersheds were selected due to their high level of threat in forest deforestation and degradation, compounded by high impact by climate change (mainly higher intensity of hurricanes and fires) as determined by INECC. They are sites of high biodiversity as determined by CONABIO. The states of Veracruz and Jalisco are the first and second producers of beef with 15.1% and 10.8% of the national production, respectively. The watersheds have tropical rainforests, grasslands, dry deciduous forests, cloud forest and pine-oak forests. Their unique biodiversity is highly endangered.

The main driver for deforestation in the targeted landscapes is unsustainable cattle ranching. Last century subsidies aimed at transforming forests into pastures in an effort to release pressure from populated areas. The territory was turned into 60,300 small units of extensive and inefficient cattle ranching. High use of agrochemicals resulted in land degradation and loss of ecosystems services. Degradation further exacerbates the present expansion into the upper watershed, where ranching is displacing shade coffee. Climate change is contributing to this upward migration, since regions to grow high quality coffee are now found at higher elevation, where critical areas such as cloud forests, the most endangered ecosystem in Mexico, are found.

**3. Describe the existing or planned baseline investments, including current institutional framework and processes for stakeholder engagement and gender integration;**

Existing baseline investments averaging US\$2 million per year include:

- 1) CONANP support for protected areas in co-financing for six federal protected areas found in the nine watersheds;
- 2) CONAFOR's payment for ecosystem services in the nine watersheds;
- 3) INECC development of IWAPs to develop the technical information for three of the nine watersheds, since six have already been published;
- 4) FMCN and its regional funds support to local civil society and community organizations in the nine watersheds.

Investments additional to GEF funds that will contribute to CONECTA in the next seven years are:

- 1) US\$1,000,000 by INECC to support the implementation of IWAPs at the national level;
- 2) 500,000 euros provided by AFD to FMCN for project preparation, including socioeconomic assessments, monitoring protocols, studies on the supply chain and costs to transition to regenerative ranching, consultation with main stakeholders, design of financial products, assessment of emissions;
- 3) US\$10 million from the Green Climate Fund (GCF) to FMCN, which has been approved as the first Mexican entity to be accredited. FMCN is having discussions with GCF for the development of a parallel project in river restoration in the nine watersheds included in CONECTA; synergies between both funding sources are being explored;
- 4) US\$4.188 million in endowment funds provided to FMCN by the German government. The interest will support effective management of protected areas;
- 5) 40 million euros to be provided by AFD as loans to support value-chain actors, that have the capacities for regenerative ranching;
- 6) US\$42 million from CONAGUA, CONANP, INECOL, state governments and producers that will invest in sustainable practices.

Through the C6 project INECC, CONAFOR, CONANP and FMCN formed an effective Technical Project Committee. CONECTA will build on this inter-institutional platform in each watershed. IWAPs engage

stakeholders into planning and aligning investments. They identify areas to be conserved, restored and sustainably used to ensure water yield and soil retention, which are considered key ecosystem services in these watersheds. IWAPs define priority areas for these ecosystem services based on offer and demand, while they consider climate change scenarios.

Building on the IWAP multi-stakeholder platform that promotes governance, three forums that link actors along the beef value chain in these watersheds have taken place. Investors, such as FIRA, Financiera Nacional and banks such as BanBajío and Sabadell, have publicly expressed their commitment in investing in enterprises that produce beef sustainably through loans and credit guarantees. Ranchers have participated actively in these forums and are receiving training from academic institutions like INECOL and University of Guadalajara to restore their lands. Links with large buyers such as SuKarne and Nestlé, or beef and milk, will be explored during project preparation. According to experts in livestock value chains in Latin America, Mexico needs to develop more certified slaughterhouses and a greater number of technicians that can link academia with practical advice on land. Added value can also come from making higher quality cheese in the upper watersheds. CONECTA will work to link actors and invest strategically to attract required investments along a deforestation-free value chain.

CONECTA will apply the Norms of Environmental, Social and Gender Safeguards of FMCN, which were approved by GCF during FMCN's accreditation process. Consultations with stakeholders will take place during project preparation. The Norms ensure indigenous participation and a gender perspective. The population of the selected watersheds is 3,606,717 people (52% women and 48% men), who will benefit from improved ecosystems services, higher biodiversity, improved income and reduced vulnerability to climate change.

4. Describe how the integrated approach proposed for the child project responds to and reflects the Program's Theory of Change, and as such is an appropriate and suitable option for tackling the systemic challenges, and to achieve the desired transformation with multiple global environmental benefits; and

CONECTA follows FOLUR Theory of Change. Increased national demand for coffee and beef, as well as increased international demand for beef pose high pressure on the productive landscape. Lack of planning and coordination at the landscape level, misaligned incentives, and lack of participation are the drivers of unsustainable practices, knowledge gaps and insufficient funding due to lack of organization along supply chains. The baseline scenario is of highly degraded watersheds, loss of ecosystem services and biodiversity, displacement of sustainable practices like shade coffee, as well as higher vulnerability to climate change, affecting production and income, especially among vulnerable populations.

Using a landscape perspective, CONECTA proposes to integrate horizontally land planning and the use of natural resources, and vertically the livestock and coffee supply chains. The theory of change of CONECTA is that regenerative ranching and sustainable coffee is a tool to trigger integrated watershed management. Regenerative ranching, which includes holistic management, rotational grazing and silvopastoral systems, provides a win-win solution. To speed its adoption and have an impact at a larger scale, CONECTA will support the alignment of policies and incentives with the adoption of IWAPs in the selected watersheds and beyond, which will lead to improved governance. Key interventions will include the development of capacities and integration of producers into deforestation-free value chains with access to credit to tackle systemic environmental challenges. Further networking will help to link and strengthen other actors along the value chain, such as processors and buyers. The

implementation of a solid monitoring system will help tracking sustainability along the food chain and accessing responsible markets. CONECTA will build on an existing movement of regenerative ranchers that implement practices that increase production while conserving biodiversity, sequestering carbon, and improving water quality. Their example will be replicated in nine watersheds. Advances in the watersheds will feed national policies and support scaling up/replication innovation in additional geographies such as in Chiapas and Chihuahua, which are the two other states with highest number of heads of cattle and where large organizations of ranchers have also expressed interest in support for joining regenerative value chains. This domino effect is expected to change the cattle industry in the country. Links with similar efforts internationally will further strengthen enabling conditions in Mexico as local initiatives in the country have a demonstrative effect.

**5. Describe the project's incremental reasoning for GEF financing under the program, including the results framework and components.**

Without GEF funding the baseline scenario will prevail. IWAPs will not scale up to become national policy and strengthen governance in key landscapes in the country. Producers will not have access to capacity building that allow them to halt land degradation and stop deforestation. Ecosystem services and biodiversity will continue to decline making watersheds more vulnerable to the effects of climate change. Actors along supply chains will continue being disintegrated and producers will not be organized. Efforts towards regenerative ranching and sustainable coffee will continue, but they will not acquire the scale and pace required to tackle the environmental challenges. GEF funding will build on the described baseline and develop extension services for producers to acquire skills to restore the ecosystem services of their land while increasing production. Producers will receive support to organize sustainable enterprises, accessing credits and markets through linking with actors along deforestation-free supply chains while exchanging knowledge with other producers. CONECTA will reduce deforestation, restore degraded land and increase biodiversity and resilience in nine watersheds and beyond through the following innovative key interventions not implemented before:

1. Develop ILM systems: IWAPs will trigger comprehensive land planning and alignment of policies and investments. For example, ranchers restoring their land could receive PES, support from SEDAR to fence cattle out of riparian areas and support from the Sowing Life Program. INECC will promote the integration of IWAPs into national policies.

2. Promote and invest in sustainable food production practices and responsible value chains: studies supported by AFD will determine specific actions required to strengthen responsible value chains. Sustainable coffee and livestock practices in the selected watersheds have shown to double production. AFD will channel loans along the supply chain through financial institutions. Responsible buyers' campaigns will allow for higher demand for national and sustainable coffee, meat and milk.

3. Conserve and restore natural habitats: producers will implement actions defined in IWAPs and business plans. With support from local organizations, producers will restore their soils with reduced compaction and higher plant diversity, while planned rotation will allow for higher stocking rates. At the

landscape level coffee growers will not be displaced, and incentives will support coffee growers to adapt to climate change.

4. Project Coordination and M&E: the Technical Committee and forums in each watershed will ensure coordination between federal and state agencies. Monitoring biodiversity, water quality and emissions will ensure global environmental benefits. A national learning community will trigger exchange of knowledge and experiences between watersheds and beyond, while participation in the FOLUR Global Platform will provide access to practical solutions and strategic communication.

**6. Engagement with the Global / Regional Framework (*maximum 500 words*)**

Describe how the project will align with the global / regional framework for the program to foster knowledge sharing, learning, and synthesis of experiences. How will the proposed approach scale-up from the local and national level to maximize engagement by all relevant stakeholders and/or actors?

The Technical Committee that will oversee CONECTA will build on the successful experience of C6 that allowed for alignment of subsidies with IWAPs. Its internal by-laws will be enriched to develop links with actors along the value chains through committees in each watershed. These watershed committees supported by the project will unite producers with buyers, processors and distributors of beef, coffee and milk. CONECTA will create a learning network that will allow systematic exchange of experiences between watersheds through digital platforms, social networks and annual gatherings. Since 2009 FMCN organizes every two years the Week of Exchange in Knowledge in Conservation, where more than 250 people involved in sustainable management attend workshops, conferences and events that trigger an energetic exchange and access to national experts in different topics. The themes of these gathering have included collective impact, sustainable enterprises, and social impact. In addition, given the high penetration of cell phone coverage in Mexico (70%) CONECTA will develop platforms to connect producers with buyers in each watershed through careful vetting of partners for sustainable practices.

CONECTA will seize the opportunity provided by being part of the FOLUR Impact Program through active participation in the FOLUR Global Platform. This participation will be essential in scaling up the impact at the national level through the following:

1) Access to technical solutions already tried in other countries and learning from their success and failures: for example, Colombia has important advances in regenerative ranching that can accelerate experiments in Mexico, especially in similar tropical ecosystems;

2) Partnerships along value chains: the lack of interaction along the value chain is partially the result of lack of organization abilities. Exposing producers and buyers to successful practices in other countries can trigger change that would otherwise take longer to be enacted;

3) Policy support: creating networks among countries that are pushing for sustainable practices in key commodities can leverage support within Mexico to changes in policy;

4) Communication: CONECTA project will benefit from being part of a much larger initiative and then be more effective in communicating the strategic value of its actions. Ranchers in Mexico have expressed their frustration in the prevailing image that portrays their sector as responsible for deforestation. Through the Impact Program it will be possible to access experiences and ideas on how to communicate the different types of ranching and their effect on the landscape;

5) Access to international campaigns for responsible consumption: global gathering and networking with similar projects in other parts of the world will allow linking with advocacy initiatives through venues such as the Global Landscapes Forum and the Food and Land Use Coalition;

6) Access to impact investment: CONECTA will work on producer's organization to create competitive enterprises that can link better with the rest of the value chain. Enterprises will then become attractive for the expanding markets increasingly interested in impact investment, which the international networks facilitated by FOLUR Global Platform will enable.

## Annex A

**Annex A** contains the map of the watersheds selected for their high biodiversity, vulnerability to climate change and stocking rate.



**Leyenda**  
■ Límites de cuenca  
Mapa base: Google maps

0 250 500 750 km

A horizontal scale bar with four segments, corresponding to the 0, 250, 500, and 750 km markings.

Papua New Guinea

**GEF-7 CHILD PROJECT CONCEPT**

**CHILD PROJECT TYPE: Full-sized Child Project**

**PROGRAM: IP FOLU**

<b>Child Project Title:</b>	<b>Establishing systems for sustainable integrated land-use planning across New-Britain Island in Papua New Guinea</b>
<b>Country:</b>	Papua New Guinea
<b>Lead Agency</b>	UNDP
<b>GEF Agency(ies):</b>	
<b>Total project cost (GEF Grant):</b>	\$10,709,174
<b>Total Cofinancing:</b>	\$64,000,000

## **PROJECT DESCRIPTION**

### **1. Country Context**

PNG is one of the most biodiverse countries on the planet with New Guinea island estimated to contain 5% of the world's biodiversity in just 1% of its area. The country has also retained extremely high levels of forest cover at over 75% - globally one of the highest levels.

Agriculture forms the central elements of revenue and subsistence for the majority of PNG's 8.4m people – 97% of which are rural. Palm oil, coffee and cocoa are the country's three largest export crops with the value of exports of oil palm and cocoa respectively over USD300m and USD200m annually. At the global scale export levels are also significant with PNG is the 3<sup>rd</sup> largest palm oil exporter<sup>32</sup> globally 12<sup>th</sup> largest cocoa exporter<sup>33</sup>.

Production systems for the two crops are however significantly different with oil palm dominated by large-scale plantation companies operating a combination of plantation and small-holder, nuclear estate production systems. Historically production has been dominated by two companies, New Britain Palm Oil and Hargy Oil Palm. Both of these companies are committed to RSPO certification, with PNG having the 3<sup>rd</sup> largest RSPO certified production area and with very limited expansion in area under production between the late 1970's and early 2000's. Cocoa production conversely engages some 20% of the rural population predominantly through small-holder production systems.

Production of both commodities are evolving resulting in increased impacts on PNG's unique forests and high value biodiversity. High international demand for both palm oil and cocoa are creating a demand for expansion in production, which is supported by ambitious central government targets for a doubling in production of both crops. These targets however sit within a conflicting policy environment / policy vacuum with no national level policy in place for palm oil development, targets for forestry and environment focus on reducing forest loss (caused almost exclusively by clearance for agriculture) and increasing the area under

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<sup>32</sup> By value

<sup>33</sup> ICCO (2014) The World Cocoa Economy: Current Status, Challenges and Prospects

conservation<sup>34</sup>, tax regulations that provide tax breaks for land clearing for agricultural development<sup>35</sup>, subsidies for remote cocoa producers but restrictions on agents able to export commodities that present a challenging environment for sustainable long term investment and in many cases promote high impact, high risk investments by companies focused on maximizing short term returns. The potential impacts of plans for expansion are also not mitigated by effective planning systems or agricultural extension / support services that would help to ensure zoning of development activities as well as support improved productivity of existing land areas. Weakness in planning processes led to the rapid issuing of over 5m ha of land under Special Agricultural Business Leases (SABLs) 2007 and 2014. Many of these leases have been contested due to a lack of effective stakeholder engagement and landowner consent, but several have already initiated land clearing and initial planting resulting in significant increases in deforestation in many areas. Development of effective planning processes also face significant challenges relating to levels of government capacity at the provincial district and local levels both with regard to technical operation and capacity to coordinate across departments and to work with private sector and community groups in planning and development processes.

These challenges are set against PNG's broader commitment to sustainable development. Commitments to maintaining PNG's environment and the sustainable use of natural resources while supporting equal growth across rural communities are central to PNG's policy and legislation: one of the five goals of the country's constitution, and a central pillar of Vision 2050 the country's long-term development strategy. More recently the National Strategy for Sustainable and Responsible Development (StaRS) 2015 targets a transition to a green economy. At the sector level a new Protected Areas Policy (2014) will soon be supported by a Protected Areas Act<sup>36</sup>, while a Climate Compatible Development Policy (2014) is supported by a Climate Change Management Act (2015). These positive policy commitments are also supported by private sector interest in increasing supply of sustainable commodities from PNG with 33 international palm oil buying companies expressing interest in increased supply of sustainable palm oil from PNG and a number of major international firms, including Olam also investing in sustainable cocoa production in PNG.

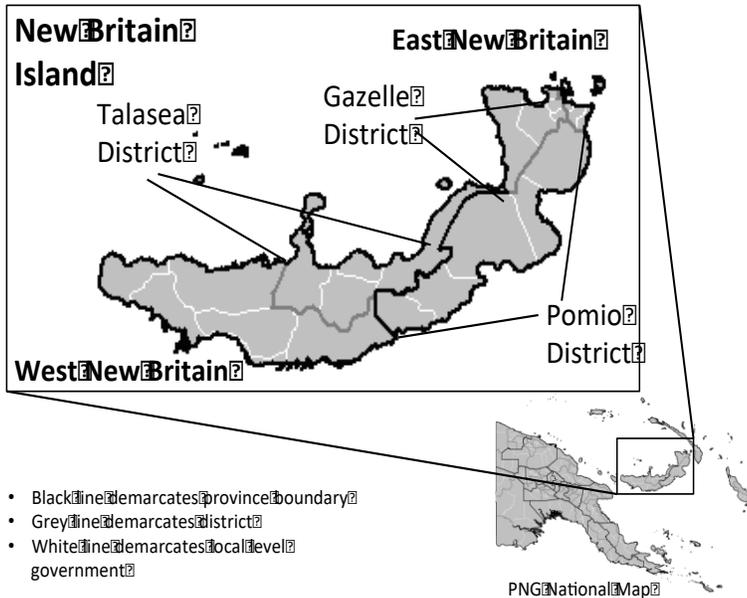
## **2. Project Overview and Approach**

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<sup>34</sup> PNG's Medium Term Development Plans (MTDPs) 2018-22 including increases in the area under conservation (from 5% to 10% of land area) and a reduction in rates of forest loss (from 9% primary forest loss per annum to 2%)

<sup>35</sup> PNG Income tax Act

<sup>36</sup> A draft bill is currently with National Executive Council



### a) Description of the geographical target(s)

The project will focus on the 3.65 million ha Island of New Britain (NB) off the northern coast of New Guinea. The landscape combines a mixture of small scale and commercial agricultural production systems and is responsible for approximately 50% of PNG's oil palm production and a high percentage of cocoa production. Within these provinces the project will target Pomio (11,071km<sup>2</sup>), and Gazelle (3,700km<sup>2</sup>) in East NB, and Talasea (7,888km<sup>2</sup>) in West NB with a total target area of 22,659km<sup>2</sup> or 2,265,900 ha.

While these districts are some of the primary areas for agricultural production

they also contain significant areas of high value biodiversity. This includes three Nakani, Baining and Whiteman Ranges, the first of which is on World Heritage Tentative list and is, with the Baining range, identified as a conservation priority for PNG<sup>3738</sup>.

These areas of biodiversity and the islands environment are, however, under significant pressure and face several systematic challenges including:

- *Forest loss and degradation* - Increasing global demand for oil palm and cocoa have resulted in new operators entering the NB as well as interest amongst small-scale producers to increase production: Pomio district alone lost over 12,000ha of forest in 2016<sup>39</sup> – three times the average annual level of forest loss across all of NB as identified in data from PNG's FRL<sup>40</sup>.
- *Loss of environmental services and biodiversity* – Many new developments and the rapid expansion of small-holder farming have resulted in, among others, clearing close to rivers and waterways, and increases in farming on slopes leading to extensive loss of top soil as well as increasing levels of sedimentation and sediment run off through river systems. Within Pomio district, the environmental

<sup>37</sup> PNG is recognised as having very high levels of biodiversity with New Britain Island being an area of particular importance although assessments are also hampered by a paucity of data. The target landscape includes the Nankai range which has been identified on the World Heritage tentative list due to its outstanding natural value, with the broader landscape also containing a diverse range of habitats with very high biodiversity values. Several areas within the landscape (the Nakai, Whiteman and Baining ranges) were identified in the recent national conservation assessment as being of specifically high conservation value within PNG (CEPA (2017) Land Sea Conservation Assessment). The high value of biodiversity in the areas was highlighted by 2009 survey of the Nakai range which discovered over 200 species new to science including a new genus of mammal (Cairns Institute (2018) *The Nakanai Ranges of East New Britain*. James Cook University) while an assessment of the Baining Mountains identified a number of new and undescribed species of frog, the existence of the honeyeater *Melidectes whitemanensis* and the increase in the number of ferns, orchids and butterflies known to occur in New Britain (<https://www.iucn.org/regions/oceania/our-work/critical-ecosystem-partnership-fund-cepf/emi-projects>).

<sup>38</sup> Recent biodiversity assessments of these areas identified a startling 200 species new to science, including a new genus of mammal, as well a significant number of rare and endangered species including 64 species of bird seven of which are endemic to New Britain. These unique and high value terrestrial ecosystems are also surrounded by areas of exceptional marine biodiversity and ecological value. The Kimbe Bay is recognized as a globally significant marine hotspot.

<sup>39</sup> Source - <https://www.globalforestwatch.org/dashboards/country/PNG/4/3>. In addition there is currently over 320,000ha of land across NB under Special Agricultural Business Leases (SABLs) while many of these are contested and some action has been taken to halt development within them, many remain operational with land clearing underway or planned. This represents a very significant threat to forest areas.

<sup>40</sup> PNG Forest Reference Level submitted to UNFCCC 2017 – data used for the development of the FRL show average rates of deforestation from agriculture between 2008-13 (last 5 years reported) in NB at over 4,000ha pa.

damage cost to local communities from rapid and poorly planned developments has been estimated at over USD370million at the current time with long-term costs estimated to increase by a factor of 10<sup>41</sup>.

- *Climate vulnerability* – Rapid development of commercial agricultural production, combined with population increase is pushing many farmers to move their subsistence agriculture onto more marginal lands, which combined with loss of many environmental services is increasing the vulnerability of communities to climate change<sup>42</sup>. Limited technical support to farmers producing cocoa and oil palm has also resulted in vulnerability of these farmers to respond to hazards caused by a changing climate – the rapid spread and impact of cocoa pod borer provides one example of this.

Addressing these challenges also faces several barriers:

- *Weak planning and landscape management processes at national, provincial and district levels and institutional capacity for their implementation* – capacity for integrated planning and provincial and district level is severely limited with much planning developed on a project by project basis with limited consideration of wider policy or environmental objectives. Sector targets have also been developed with limited awareness of the physical constraints of land availability, with communities and subnational governments also not effectively empowered to effectively manage the conflicting demands from external developers, conservation groups and government representatives.
- *Conflicting policies and misaligned incentives* – these challenges are exacerbated and exemplified by conflicting policy objectives, many of which do not consider the realities of land availability or potential impacts on rural communities. Existing tax systems including those relating to rural development activities and land clearing for agriculture also incentivize clearing of forest beyond designated areas.
- *Weak processes for stakeholder engagement* – PNG has a highly rural and diverse population. Existing stakeholder engagement processes for projects and programs planning and development lack effective socially inclusive and gender responsive engagement approaches leading to unduly impacting rights holders that have not been fully consulted or consented to development activities.

**b) Existing or planned baseline investments, including current institutional framework and processes for stakeholder engagement and gender integration;**

Action has been taken to address a number of these challenges and barriers:

- The country's MDTP 3 2018-22 targets increases in the land area under conservation: from 5% to 10%, and to reduce annual rates of primary forest loss: from 9% to 2%<sup>43</sup>. CEPA leads these targets through development of the Protected Areas Act and action to support identification and designation of new conservation areas<sup>44</sup>. In New Britain this work has led to an MoU with the provincial governments of ENB and WNB to support conservation activities across the island.
- Through Operation *Painim Garun Planim Diwai* (Finding land and planting trees), the PNG Forest Authority (PNGFA) and National Forest Service (NFS) seek to enhance tree planting across

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<sup>41</sup> Global Witness (2018) West Pomio Community Damage Assessment report

<sup>42</sup> An assessment undertaken across New Britain identified a potential significant shortage of arable land available for custom gardening in many areas when projections of population growth were included. This assessment highlighted the potential risk of rapid expansions of commercial production in the short term for longer term food security across the island – (CEPA 2017) available at [http://www.pg.undp.org/content/dam/papua\\_new\\_guinea/docs/Publications/GEF%20Publications/8.%20Ridges%20to%20Reefs%20Assessment%20for%20New%20Britain\\_Low\\_res.pdf](http://www.pg.undp.org/content/dam/papua_new_guinea/docs/Publications/GEF%20Publications/8.%20Ridges%20to%20Reefs%20Assessment%20for%20New%20Britain_Low_res.pdf)

<sup>43</sup> GoPNG (2018) Medium Term Development Plan Three 2018-2022

<sup>44</sup> Including through the *Community-based Forest & Coastal Conservation and Resource Management in Papua New Guinea* (GEF – UNDP – 2011-2018) which has focused on New Britain Island. will be closing this year

commercial plantation development, woodlot development and environmental planting, targeting the planting of 800,000ha of trees by 2050.

- DLPP's lead to develop a draft Policy for Sustainable Land Use Planning represents a commitment by central government to move towards more sustainable approaches.

These targets are however juxtaposed with those for doubling-levels of key agricultural commodity production including for cocoa and oil palm as well as expansions in earnings from timber production (linked to processing) and expansion of mining operations. In an effort to achieve these different objectives while supporting development, the government is also working with a number of development partners through projects and programmes including:

- *FCPF REDD+ Readiness Project* – the project has been working with the Climate Change Development Authority (CCDA) as well as other partners in supporting the REDD+ readiness process that includes a National REDD+ Strategy and a REDD+ Finance and Investment Plan within which development of sustainable agriculture is a core area for action. The project works with UNDP's Green Commodities Programme (GCP) to develop a multi-stakeholder PNG Palm Oil Platform to work towards a sustainable palm oil sector in PNG and has already attracted support from global palm oil buyers<sup>45</sup>. The project is also supporting initial development action on Sustainable Land Use Policy and trials of integrated land use planning. It has also supported CCDA to develop guidelines for Free, Prior and Informed Consent as well as proposed Grievance Redress Mechanisms. Gender responsive stakeholder engagement plans are also being developed for ENB and WNB.
- *The Productive Partnerships in Agriculture Project (PPAP)* (funded by WB, IFAD and EU) – The project targets support to the cocoa and coffee industries and has three core elements around industry and policy coordination, productive partnerships and increased market access through infrastructure development. The project has engaged one partner in East New Britain to support replanting of diseased stands and the adoption of improved farming practices. The project will be coming to an end in 2018 but a second phase is planned and will continue to New Britain.
- Global Environment Facility (GEF) support – The GEF has and is supporting a number of conservation and environmental management projects in PNG including the Community-based Forest & Coastal Conservation and Resource Management in Papua New Guinea (GEF – UNDP – 2011-2018) which has focused on New Britain Island and has supported key initiatives on identifying high value conservation areas and sensitizing communities to engagement in conservation activities.

### **c) Overview of integrated approach response to theory of change:**

The current project directly responds to and reflects the Program's Theory of Change. The project is born out of a need to address increasing levels of landscape degradation, forest loss, loss of environmental services and increasing in GHG emissions and vulnerability of communities resulting from the poorly managed agricultural development processes.

The project design will link directly with PNG's "top down and bottom up" planning processes to bring together action at the national level on policy formulation and implementation and action on the ground to demonstrate how sustainable land use management and effective planning can deliver improved social, economic and environmental outcomes.

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<sup>45</sup> Through the work of UNDP's Green Commodities Programme, which is supporting the PNG Palm Oil Platform, a 'statement of support' for sustainable palm oil production in PNG has been obtained from 33 international palm oil purchasing companies. A proposal has also been to the International Buyers Group to gain further support for PNG sustainable palm oil and discussions are ongoing with Tesco who has been leading this process of engagement with UK companies to keep them informed on future progress of sustainable palm oil from PNG.

Outcome 1 will bring together action on local level land use and development planning with provincial and district development planning activities to feed into and inform improvements in the national land use and development planning framework. This will support development of an improved system of land use and development planning in PNG guided by the Sustainable Land Use Planning framework, its supporting tools and capacity of key stakeholders for its implementation.

Outcome 2 will bring together action at the field level to improve sustainable production techniques and levels of productivity while maintaining environmental integrity, with action on policy and institutional arrangements to improve the support for sustainable production and work with private sector actors, including financiers, buyers, processors and aggregators from the international to the local level. This process will be supported by development of key tools for assessment of HCV/HCS areas, support to small-scale farmers to access both finance and markets and to improve the integration of development planning processes and value chain development at the provincial level.

Outcome 3 will bring together action at the local and provincial levels to help conservation and restoration of key habitat areas. Assessment of priority areas for conservation and restoration at provincial scale will help guide planning and investment decisions while tools developed for assessment of HCV/HCS will also help guide how production areas are managed and developed with engagement with communities on landuse planning and management for production providing a key basis to feed into development planning action under outcome 1 as well as action towards certification standards under outcome 2.

Outcome 4 will help to bring link these elements with the global community of practice helping both strengthen networks between producer countries as well as between producers and international markets and finance for sustainable production, while also strengthening knowledge and lessons learned to improve project implementation and approaches both within PNG and with other implementing countries.

These outcomes will combine to help support a transformation in rural development in PNG moving development towards a truly sustainable landscape approach that allows for increasing agricultural production and development while safeguarding PNG's truly unique ecosystems. The project will help both demonstrate the potential for sustainable agricultural development through action at the local level and create the improved policy and legislative guidance combined with increased government capacity and engagement with private sector and civil society to implement it that will support a positive investment environment for sustainable agricultural investments. These elements in turn will help to deliver further positive incentives for companies, communities and governments which will further incentivize support to such production practices and thus further strengthen investor confidence within PNG's agricultural sector.

- d) Describe the project's incremental reasoning for GEF financing under the program, including the results framework and components.

The baseline investments and policy environment noted above provide a platform for the current project. Initial work within target sectors on agriculture, forestry environmental management and conservation and landuse planning all have high potential to deliver important improvements in the way landuse is managed in PNG.

The current project provides a key incremental benefit in both further developing initiatives and coordinating action through a landscape approach that links with key political jurisdictions. Through bringing together integrated landuse planning and management systems, sustainable food and commodity production systems

(that include conservation and restoration activities), improved market access and strengthened links along the value chain through producers, aggregators/processors, financiers and international buyers, the project will present an approach that is comprehensive and comprehensible to both landowning communities and key decision makers as well as ensuring that action in each area catalyses and supports further action in the other areas by helping to support development of an effective investment environment for sustainable production. The project will thus build on the experiences, knowledge and progress of past projects such as the identification of conservation areas under the GEF financed *Community-based Forest & Coastal Conservation and Resource Management in Papua New Guinea*, existing initiatives to test woodlot development led by ACAIR, as well as initial work by PNG Palm Oil Platform to gain support for sustainable palm oil from global palm oil buyers<sup>46</sup>. It will also work in partnership with new and proposed projects including Phase 2 of the Productive Partnership in Agriculture, and the GEF financed Sustainable Finance of Papua New Guinea's Protected Area Network but will critically go beyond these individual initiatives to show how these actions can be brought together at the landscape scale to deliver significant change in the way PNG's landscapes are managed.

### ***Component 1. Development of integrated landscape management (ILM) systems***

**Outcome 1a:** will technically support further development and consultation on DLPP's draft Sustainable Land use Planning Policy as well as development of a framework for subnational land use planning that is linked to budget allocations from central government. The framework will include models and standards for inter-agency coordination as well as standards and systems for monitoring and ensuring compliance in PNG.

**Outcome 1b:** will pilot this framework through the development and adoption of integrated Provincial and District Development Plans within the target areas. This will be done by bringing different stakeholders together (including private sector actors, communities and other government agencies) conduct land use mapping, inventory and threat assessments to target interventions at landscape level, as well as to perform strategic land use planning /zoning for multiple use land areas in a participatory and inclusive manner. To support ongoing development within target areas and long-term financing of the integrated land management approaches, key considerations will be given different financing approaches: public private partnerships (PPP), payment for environmental services (PES), environmental offsetting as well as investments in sustainable value chains for key crops.

### ***Component 2: Promotion of sustainable food production practices and responsible value chains***

**Outcome 2a:** will work with the PNG Palm Oil Platform and the Cocoa Working group (which will be strengthened to a full platform) to develop a sustainable palm oil policy, and action plan, a sustainable cocoa policy, and action plan and as well as strengthened and revised regulations for both commodities and to work across sectors to ensure improved alignment of fiscal and trade policies to support sustainable production. This will be achieved through enhanced coordination with key stakeholders especially producers, aggregators/processors, financiers, international buyers, government agencies and landowning communities, with this coordination informed by key assessments on the nature of production, markets and value chains to ensure clear understanding of the domestic market and its interaction with international systems; the development and implementation of key tools including an HCV/HCS assessment tool to help inform policy at the national level as well as supporting field level assessment of the suitability of areas for

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<sup>46</sup> Through the work of UNDP's Green Commodities Programme, which is supporting the PNG Palm Oil Platform, a 'statement of support' for sustainable palm oil production in PNG has been obtained from 33 international palm oil purchasing companies. A proposal has also been to the International Buyers Group to gain further support for PNG sustainable palm oil and discussions are ongoing with Tesco who has been leading this process of engagement with UK companies to keep them informed on future progress of sustainable palm oil from PNG.

agricultural development. As part of an integrated land use and development process, at the subnational level, elements of platform structures and processes promoting sustainability will be integrated into key working committees on primary industries and economic development to support the development of provincial policies on sustainable commercial agricultural development. These national and subnational bodies will also provide key structures to address fragmentation in the target commodity sectors and will support linkages between international buyers such as Olam, Tesco and others as well as key financiers with local level producers and aggregators within key production jurisdictions.

**Outcome 2b:** supports farmers to achieve sustainable and certifiable practices through piloting privatized extension services. Support will include training on improved and environmentally sustainable production practices and pest management; replanting old stands of oil palm and cocoa with improved varieties that are more productive and disease resistant; and training in business management and development of cooperative models for production and marketing to improve access to markets. These approaches will be developed in close collaboration with private sector companies including NBPOL and HARGY who will provide financing for oil palm replanting as a result of project interventions, while technical support will also be implemented through partnerships with private sector actors. The project will provide key cross cutting technical support to help mobilise this finance such as working with DLPP to improve farmers access to land registration documents to improve access to certification processes.

**Outcome 2c:** strengthens sustainable and certified value chains for key commodities by working with commodity platforms to improve understanding and awareness of certification standards, requirements and levels potential future impacts for market access (under Outcome 2.1.) as well as more directly with private sector operators and standards agencies on specific value chains. On the ground, support will focus on cocoa value chains to help increase capacity of small-holders to access certified value chains and to improve linkages between international buyers and local farmers. The work will build on work by Fairtrade ANZ, Rainforest Alliance and major cocoa buyers such as Olam to develop deforestation free and environmentally sustainable cocoa production and will also engage key buyers to strengthen linkages through the value chain and develop key partnership that promote sustainable production.

### ***Component 3: Conservation and restoration natural habitats***

**Outcome 3a:** strengthens provincial officers' understanding and capacity to assess priority areas for environmental management, as well as areas of vulnerability and risk due to environmental degradation. These skills will be utilized to guide integrated land use planning processes at provincial and district levels. By developing an effective framework, it works with CEPA to designate authority for key environmental management functions under the yet-to-be-operationalized Environment Act to officers at the provincial level. Support will include capacity building of staff, establishing operational and institutional agreements between CEPA and provincial offices as well as reviewing and developing effective provincial environmental policies to effectively link with provincial needs and targets and to ensure they are fit to help guide sustainable agricultural development. Capacity building will also be provided to communities interested in engaging in sustainable production and environmental management approaches to improve coordination across community groups, effective engagement with companies looking to undertake development activities and support to monitoring of development activities.

**Outcome 3b:** will provide technical support to provincial and district environment officers to work with communities and private sector in planning development and agricultural activities at the local level. Types of support include maintaining environmental corridors within production areas, effective allocation of agricultural activities and management of key environmental services. This work will link local and national

efforts to pilot sustainable financing approaches, such as the proposed Sustainable Finance of Papua New Guinea's Protected Area Network project.

**Outcome 3c:** supports rehabilitation and conservation actions through a technical and participatory assessment existing levels of degradation and priority areas for conservation. This information will be utilized to both help target investments and to support improved institutional capacity to plan and act on rehabilitation and conservation activities<sup>47</sup>. This assessment and planning action will complement Component 1 and will promote and support actions among private sector groups, communities and government including conservation of HCV areas within production landscapes as well rehabilitation of areas to support improved provision of environmental services and conservation outcomes.

***Component 4: Knowledge management, gender mainstreaming and coordination with Global FOLU IP platform.***

The component will focus on consolidating and disseminating results through monitoring implementation to understand any causal impacts as well as for adaptive project management purposes. The outcome under this component will facilitate and support engagement with the FOLUR community of practice and the IP global platform which is elaborated in section 3 below (*Engagement with the global/regional framework*). A knowledge management and communication plan will be prepared – (i) to create close linkages with FOLUR global platform, GCP and the country platforms; (ii) for information and exchange of ideas during implementation between the stakeholders from the district, provincial and national level; (iii) help identify promising and good practices including lessons learned, document and disseminate results for scaling-up to other landscapes in the country; (iv) facilitate cross project learning and travel to international community and global events.

The project will generate a set of KM products around the experiences of promoting deforestation free commodities, sustainable food crops and restoration across landscapes. These KM products will contribute to the FOLUR community of practice. The project will support team members, government counterparts to participate in and speak at global conferences of relevance eg RSPO and represent FOLUR at these events.

Gender mainstreaming: The 2030 Agenda and the Sustainable Development Goals underscore that gender equality and the empowerment of women are integral to the achievement of sustainable development. This is further articulated in UNDP's Strategic Plan (2018-2021) and Gender Equality Strategy Plan (2018-2021) which highlights the strategic entry points for mainstreaming gender equality, that includes:

Supporting partners to ensure gender-responsive sustainable management of natural resources, including land, water and forests, and to expand women's access to, control and ownership of land, property and finance as well as to partnerships in new micro-, small and medium-sized enterprises established on green and inclusive value chains;

Ensuring the integration of gender equality into legal and regulatory frameworks, policies and institutions addressing biodiversity conservation, the sustainable use of natural resources and the equitable sharing of benefits arising from the utilization of such resources or related knowledge and practices. This includes ensuring women's full participation in decision-making on the use, management and

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<sup>47</sup> New Britain Island receives both very high levels of rainfall as well as significant storm events which combined with environmental degradation linked to forest and mangrove loss are resulting in significant risks to and impacts on the island's infrastructure including erosion of coastal roads and closure of roads due to landslides. Improve information on these areas will help further inform and generate government support for investment in rehabilitation activities.

protection of ecosystems.

Ensuring that innovative solutions scaled for sustainable, nature-based recovery are developed on the basis of women's participation and recognize and respond, through gender analysis, to the needs, concerns and contributions of women

To ensure that the project is gender responsive, a gender analysis will be undertaken during the PPG stage to fully consider the different needs, roles, benefits, impacts, risks, differential access to and control over resources of women and men given a project's context, and to identify appropriate measures to address these and promote gender equality and women's empowerment. The analysis will form the basis of a Gender Action Plan and Budget to guide gender mainstreaming during project implementation.

### **3. Engagement with the Global / Regional Framework**

The project will engage through the FOLUR global platform and the UNDP Green Commodities programme with countries and platforms outside of the country as a means to scale results and impact the broader food system. The project will become one of the members of the Green Commodities Community administered by UNDP. The project will support the active engagement in the Community of the project team, government counterparts as well as key project stakeholders so they can connect with the other FOLUR participating countries to learn and share relevant lessons. The project will coordinate with the global coordination unit housed in the FOLUR global platform. This coordination will be through UNDP's Green Commodities Programme as well as FOLUR specific collaboration mechanisms established by the global platform. The project will connect with similar country projects within FOLUR based on similar commodities and approaches to share resources for combined and collective knowledge management products eg a collective guidance on sustainable palm oil or jurisdictional approaches. These products can then contribute to FOLUR wide knowledge products.

The project will connect to global level commodity and food supply chain initiatives and networks, primarily through UNDP's Green Commodities Programme and Good Growth Partnership, as well as through other means offered by FOLUR global platform. These connections will facilitate the project linking to global buyers interested in sourcing from jurisdictions advancing towards having deforestation free commodity production and also to learn latest best practice and policy of the global markets.

The project will ensure that the national commodity platform supported within the project is connected to the global commodity initiatives (RSPO, WCF, ICO, GRSB etc) and serves as a principal forum for convening the global and national supply chain stakeholders in the country. The PNG Palm Oil Platform and Cocoa Platform will provide key mechanisms to support these by providing links both to the global platform under the current programme but also key global initiatives and platforms for agricultural production to which private sector members and government representatives are participants.

Peru

## GEF-7 CHILD PROJECT CONCEPT

**CHILD PROJECT TYPE: Full-sized Child Project**

**PROGRAM: IP FOLU**

<b>Child Project Title:</b>	Deforestation-free Commodity Supply Chains in Peruvian Amazon
<b>Country:</b>	PERU
<b>Lead Agency</b>	UNDP
<b>GEF Agency(ies):</b>	IFAD FAO
<b>Total project cost (GEF Grant):</b>	\$13,561,467
<b>Total Cofinancing:</b>	\$120,000,000

### PROJECT DESCRIPTION

#### 1) Country Context (*maximum 500 words*)

**Describe the country's relevant environmental challenges and strategic positioning relative to the systems transformation proposed for the program, including relevant existing policies, commitments, and investment frameworks. How are these aligned with the proposed approach to foster impactful outcomes with global environmental benefits?**

Commodities production faces significant challenges in Peru and particularly in the targeted Amazon landscape. Ongoing commodity production practices contribute to increase GHG emissions, deforestation, decline in the provision of ES such as soil nutrients, fresh water, pollination, climate regulation, habitat for wildlife; including high value biodiversity loss. The list of critically endangered species in Peru is long, as of February 2017, the IUCN Red List of Threatened Species lists 51 species that are currently critically endangered in Peru (with a further 106 endangered). According to GEOBOSQUES-MINAM, deforestation between 2001 and 2017 is estimated at 2,130,094 hectares (155,914 ha in 2017 alone). On average, 125,301 hectares are deforested annually. It is estimated that 78% of this deforestation occurred in under 5-hectare plots used to expand crops such as coffee and cocoa. Between 2001-2016 commodity expansion represented 25% of national forest loss, and 89% in the target jurisdictions. Regarding degraded lands, the current unsustainable forestry and agricultural practices have led to an estimated 15.4 million degraded hectares at national level, and 3,187.976 hectares in the Amazon Region. In the targeted jurisdictions, for example, in San Martin, the estimated priority areas for restoration is 1.4 million hectares, including areas that range from low to extremely high degradation.

Commodity driven deforestation is the results of several confluent factors, mainly lack of adequate land use planning, limited enforcement capacity. In addition, there is a lack of funding issue, insufficient number of capable producers and producer' associations, absence of profitable and sustainable production models, inconsistent production (quality and quantity) and lack of credit and investment from private enterprises and sourcing standards. A shift to sustainable and responsible value chains is indeed needed.

Further, deforestation is causing significant CO2 emissions. According to the III National Communication to the UNFCCC (MINAM, 2012), el sector USCUS, forest conversion results in 86,742 Gg of CO2 (50.6% of the total national emissions). According to GEOBOSQUES, between 2008 and 2017 the annual average rate of forest loss is 34,407<sup>48</sup> hectares.

Degraded habitats and productive lands are undermining the livelihoods of an estimated 1.3 million people living in the targeted jurisdictions. Migration to the targeted jurisdictions is also increasing at an alarming rate, which will further aggravate the current environmental conditions, particularly deforestation and habitat loss. This situation will lead to significant economic losses to the Peruvian economy in the long run. Therefore, the proposed Project interventions are fully aligned to address each of these issues and aim at generating multiple GEB (GHG, BD, LD), as well as improving local producers' well-being in order to increase long-term sustainability.

Given the current situation, Peru has strengthened its commitment to eliminate commodity-driven deforestation (from coffee, cocoa and palm), and the indispensable role of the private sector is fully recognized. In 2018 the Coffee National Action Plan (CNAP) was completed and similar plans on cocoa and palm are advancing. Decentralization and farm investment programs that promote sustainable solutions that engage all value chain players (producers, exporters, traders and international buyers) are also advancing. Key policies and commitments include: The **National Forests & CC Strategy** addresses forest loss and degradation through competitiveness, climate resilient agriculture and ranching, zoning and land tenure. The **Joint Declaration of Peru, Norway & Germany** includes coalitions and targets for 0-deforestation commodities. **Peru's NDC** includes 62 mitigation and 91 adaptation measures, for which AFOLU to contribute to 65% of emissions reduction targets. **Forestry, Ecosystem Services (ES), and Climate Change Laws** are in place and apply across sectors (government, private sector, CSO and indigenous people). The new **National Coffee Action Plan** will strengthen the sector's supply chain; and, the new **Coffee and Palm NAMAs** to improve land use are designed. These instruments are articulated with the **FCPF, UN-REDD, FIP and GEF. Subnational CC/biodiversity strategies** will facilitate executing international agreements that provide the framework for multi-stakeholder action on deforestation free, restoration and sustainable commodity value chains:

- **UNCBD/2020 Aichi Targets, UNFCCC, UNCCD, The New York Declaration on Forests** commitments/action.
- Under the **Global Restoration Initiative, the Bonn Challenge, and 20x20 Initiative**, Peru pledged to restore 3.2m ha of degraded land with agroecology systems.
- Peruvian Supermarkets S.A. have joined the **Consumer Goods Forum**.
- **Green Growth Partnership/UNDP Green Commodities Programme**. The GGP Global Conference will be hosted in Lima and San Martin in May 2019.
- **Tropical Forest Alliance**: Peru joined TFA in early 2019.
- **Governors' Climate and Forests Task Force**, engaging 7 Peru jurisdictions, including San Martin, Amazonas and Loreto prioritized in this proposal.

Further, there are significant advances in relation to the improvement of national environmental policies, strengthening of central and decentralized institutions and mobilizing public and private political will and funding to improve the supply chain of commodities/food systems, land use

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<sup>48</sup> Data used to estimate CO2 emissions (GEOBOSQUES/MINAM)

management and restoration of degraded land. These key developments include policies (laws) to promote sustainable land management and agriculture, forestry and wildlife (biodiversity), and biofuels. There is a solid regulatory framework for spatial planning of forests in Peru, including in the Amazon region. This provides for territorial land use planning, ecological and economic zoning (ZEE), forest zoning and forest use categorization; in addition, this has been accompanied by developments in regulatory frameworks, including MINAM's 2013 Methodological Guidance for Economic and Ecological zoning (ZEE), and the SERFOR's 2016 Methodological Guide for Forest Zoning (Executive Resolution N° 168-2016-SERFOR –DE). However, this legal framework still needs strengthening in terms of gender and inter-cultural approaches. In terms of funding, an approximately US\$65M of public funds are planned for the period between 2019-2021, for areas in and around the target jurisdictions to improve agriculture & ecosystem management.

Peru has also carried out important institutional reforms that are expected to better support the achievement of sustainable development goals. For example, the strengthening of decentralized governments under the 2002 Law of Foundations for Decentralization and the Organic Law of Regional Governments. By 2013, the decentralization process had advanced significantly, with over 90% of the agreed functions transferred at the end of 2013 (USAID/Peru 2014).

## 2) Project Overview and Approach (*maximum 1250 words*)

Provide a brief description of the geographical target(s), including details of systemic challenges, and the specific environmental threats and associated drivers that must be addressed;

The Project aims to improve commodity value chains to avoid deforestation / degradation in important economic-ecological jurisdictions threatened by increasing production without socio-environmental criteria, in addition to recovering degraded areas using a landscape approach.

The selected landscapes extend along the high and middle Marañón river basin, on the right-hand bank, covering an estimated 9.5 M hectares, distributed throughout the Department of San Martín (53 per cent), the Province of Alto Amazonas in Loreto (20.2 per cent), the Provinces of Bagua, Bongará, Rodríguez de Mendoza and Utcubamba in Amazonas (16 per cent), and the Provinces of San Ignacio and Jaén in Cajamarca (10.4 per cent). The target landscape/jurisdictions cover 9,5M ha in the Abiseo-Cóndor-Kutukú tropical Andes conservation corridor and Amazon wetlands that provide critical ES, e.g., fresh water/ endemic biodiversity in Yungas, flooded forest and terraces essential for CO2 sinking. The targeted jurisdictions also include other effective conservation approaches known as OMECs.

Avoiding commodity-driven deforestation in these jurisdictions faces systemic challenges related to: improving land use plans; agricultural production practices and consistency; redirecting commodity production to restored productive landscapes; increasing small holders' associations; providing access to technology, markets and private financing; and, effective governance to support profitable and responsible value chains that can positively impact ecosystem services in productive landscapes, HCVF, biodiversity and the local economies ("value" beyond value chains/circular economies).

Due to limited attention and resources, these challenges have turned into serious environmental threats and drivers of deforestation. For example, between 1999-2015, coffee and cocoa crops in San Martín increased by 160% and 1,170% respectively; similarly, 60% and 120% increases in coffee and cocoa in the Amazonas Region. Palm cropland increased exponentially to the detriment of Amazon primary forests and escalated social conflict. Between 2001-2016 commodity expansion represented

25% of national forest loss, and 89% in the target jurisdictions. The Project proposes systematic and innovative solutions to these hard to tackle challenges.

The Project's 4 Components (Interventions) are tailored to address the specific needs of the targeted jurisdictions. These Components will address key issues such as improving land use planning and enforcement capacity. It will also focus on mobilizing innovative technology and finance, increasing the number and capacity of small holders and small holders' associations, introducing profitable and sustainable production models in partnership with the private sector, improving production consistency (quality and quantity) and access to credit and investment from private enterprises. It is also expected that the Project will improve sourcing and traceability standards. By harnessing all these actions and feeding from related experiences such as the GEF 6 Sustainable Productive Landscapes and other related projects, a shift to deforestation free commodity production is more feasible.

Describe the existing or planned baseline investments, including current institutional framework and processes for stakeholder engagement and gender integration;

Approximately US\$65M public funds are planned for areas in and around the target jurisdictions (for 2019-2021) to improve agriculture & ecosystem management. Donor initiatives include the GEF6 Sustainable Productive Landscapes in neighbouring Ucayali-Huánuco, FIP/FCPF Carbon Fund; CI's Sustainable Coffee Initiative near Alto Mayo; NAMA's support to deforestation-free coffee and IFAD's support to natural resources management and food supply chains. The Coffee NAMA, for example, aims at leveraging investments of approximately 25M Euros to grant green credits to small producers through four banks. However, the existing funding is not sufficient/directed to the key Project intervention areas and local execution capacity is low; thus, delivering incremental impact is feasible. The GEF6 Sustainable Productive Landscapes (SPL) Project will contribute with methodologies and build capacities to integrate environmental sustainability in jurisdictional development plans. These methodologies will be applied and refined based on the FOLUR experience in the priority landscape. Regarding finance, the GEF6 Project will support the design of financial instruments in support of sustainable production. It is expected that GEF7 will contribute to build capacities and remove barriers for actors throughout the supply chain to access finance as well as financial institutions to scale up the provision of green finance, including through instruments other than loans. The GEF 6 SPL targets different priority jurisdictions in Ucayali and Huanuco to the south of San Martin, with distinct challenges resulting from a high degree of deforestation, fewer protected areas and a different mix of economic activities.

On the institutional side, there are two public agencies that are key to improve commodity production and environmental management. Firstly, the Ministry of Environment (MINAM) was created in 2008 as the administrative entity charged with implementing the General Environment Law, which dictates the development of a decentralized land-use planning/zoning process to support Peru's sustainable use and development of renewable natural resources. MINAM provides technical assistance and overseeing Ecological and Economic Zoning (ZEE) in coordination with the Agency responsible for Territorial Planning at national level, and other relevant agencies.

MINAM has updated procedures to classify lands according to multiple use category (CUM), ZEE, Environmental Territorial Planning, and land titling. Importantly, the task of overseeing and coordinating this process is given to Regional and Local Governments that are responsible for executing ZEE and TP in their areas of jurisdiction. Secondly, the Ministry of Agriculture (MINAGRI) that coordinates and implements the national agricultural policy. MINAGRI is responsible for

implementing key policies such as the National Household Agriculture Strategy, and the National Water Resources Management Strategy. Both MINAM and MINAGRI's strategies are linked and support regional and local development strategies. Although there have been significant developments related to policy, institutions and government commitment to implementation, Peru still faces significant challenges. For instance, the number of associated producers is as low as 20% and corporate sector participation is insufficient.

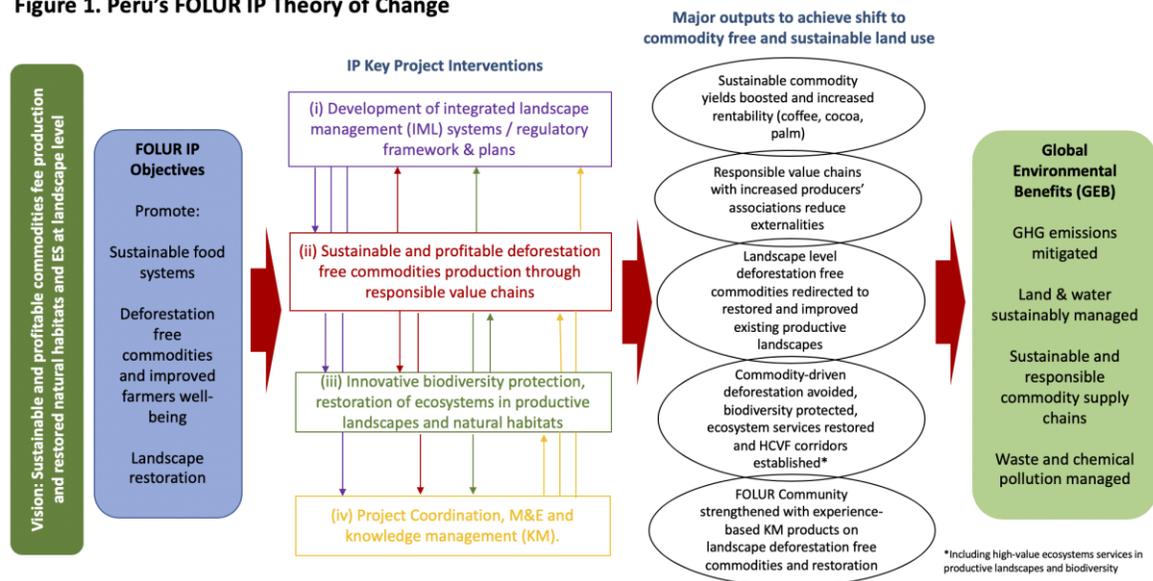
To address these gaps, the Project will work, in close collaboration with the private sector, small holders, small holders' associations and commodity platforms to improve commodity value chains. For example, the Project will mobilize innovative technology from research institutions and private sector technology; blended finance, i.e., public (domestic and international) and philanthropic funding to spur private sector investment and business alliances between producers and buyers (coffee, cocoa and palm). Further, there will be close collaboration with cooperatives such as ACOPAGRO, CENFROCAFE, COPBAM, INDUPALSA, JUNPALMA, and private banks, capital markets, and key supply chain actors, including micro financial institutions (*Caja Sullana, Caja Arequipa, Caja Huancayo, Caja Los Andes*) and large commodity buyers (JDE, OLAM, ECOM, Grupo Romero). In order to define financial instruments to engage private commodity enterprises, the Project will carry out participatory feasibility analysis and complexity vs. economic impact analysis in order to define and program priority instruments. Sustainable deforestation free commodities and food production highly depends on sound economic viability (profitable returns).

In order to empower and improve informed decision-making at all levels, balanced gender, ethnic and inter-generational participation will be mainstreamed in all the above-listed Project components (interventions). The Project will include gender, ethnicity and participation analysis and prepare action plans to address gaps; and through the Knowledge management component the Project will use technology-based high-leverage training to mainstream these key topics. The targeted stakeholders include smallholders, smallholders' associations/cooperatives, private sector partnerships (commodity buyers and investors), and NGOs. During the PPG phase, the targeted audience will be fully defined. The national commodity platforms and their sub-national forms will be instrumental in engaging women across the supply chain. The Project's approach will ensure that gender is fully integrated into training and KM, and other key practical aspects such as land use planning, rights to access land, access to finance, business planning, and decision-making at different levels: household, smallholders' associations, commodity platforms, and policy design.

Describe how the integrated approach proposed for the child project responds to and reflects the Program's Theory of Change, and as such is an appropriate and suitable option for tackling the systemic challenges, and to achieve the desired transformation with multiple global environmental benefits; and

The Project's vision in the theory of change is to foster sustainable and profitable deforestation free commodity production supported by responsible value chains. It is expected that implementing the planned Project interventions, the Project can deliver a range of Global Environmental Benefits (i.e., Sustainable food systems, Deforestation-free commodities, Landscape restoration and conservation at landscape level). The above inter related four interventions cut across all the FOLUR IP objectives and will produce mutually supportive outcomes necessary to achieve the expected impact (outcomes), as illustrated in Figure 1 below.

**Figure 1. Peru's FOLUR IP Theory of Change**



The Project will work on supporting the establishment of an appropriate governance and institutional structure to enable the formulation and implementation of comprehensive participatory, multi-sector, land planning and business plans. These tools are key to rationalize land use, sustainable productivity and establish conservation corridors (through agroforestry, climate-smart agriculture and SFM system). Public and corporate governance reform will be supported by economic valuation of the potential economic impact of policy reform at jurisdictional, landscape and national level. Further, technical<sup>49</sup> and finance innovations will be used to accelerate shifting away from the business as usual scenario. Emphasis will be placed on blended finance and other instruments that could engage public and philanthropic funding to mobilized corporate investment, as well as other key innovative financial instruments to accelerate and increase farmers' access to preferential credit. Lastly, multiple sector business alliances, commodity dialogue platforms, a comprehensive M&E and an integrated knowledge management system will be set established to make change at scale. Besides generating multiple GEB (GHG, BD, LD), the Project interventions are designed to improve human well-being and economic growth (by increased returns to farmers), which in turn, will increase the likelihood of the sustainability of the GEB generated by the Project.

Describe the project's incremental reasoning for GEF financing under the program, including the results framework and components.

The project builds on a baseline of the Government's efforts planned over the next decade to promote deforestation free commodities, with strong collaboration with the private sector. Under the baseline scenario, despite these efforts, expansion of coffee, cocoa and oil palm is likely to continue, increasing the ongoing loss of forests and wildlife habitat and the key ecosystem services that support commodity production. The project aims at an integrated and systemic approach to tackling these

<sup>49</sup> E.g., FAO's Tool Box include territorial planning tools, MTS, MFS and Collect Earth to map risks and threats, and land use: <http://www.fao.org/land-water/land/land-governance/land-resources-planning-toolbox/en/>  
<http://www.fao.org/land-water/land/sustainable-land-management/en/>  
<http://www.openforis.org/tools/collect-earth.html>

challenges, with incremental GEF resources providing the catalyst for transformational change. This will involve engaging in simultaneous efforts to involve valued chain stakeholders in planning and managing land, to restore degraded land to improve deforestation free commodity production, connectivity between conservation areas and HCVF; and consequently, to diversify and strengthen smallholder livelihoods. The components of the project, their expected outcomes and general impact indicators are summarized in the table below.

Component	Outcome (Result)
<b>C1. Development of integrated landscape management (ILM) system</b>	1.1. Sustainable ecosystems services and sound landscape management supported by an IML system along the high and middle Marañón river basin, covering an estimated 9.5 M hectares, distributed throughout 15 provinces in the Departments of San Martín, Loreto, Amazonas, and Cajamarca. The target landscape/jurisdictions cover 9,5M ha in the Abiseo-Cóndor–Kutukú tropical Andes conservation corridor and Amazon wetlands that provide critical ES. 1.2 Implemented land use plans, enforcement and monitoring support small holders’ shift to deforestation free commodities in 1 million ha.
<b>C2. Promotion of sustainable deforestation free commodities and responsible value chains</b>	2.1 Private sector engagement and responsible value chains increase sustainable commodity production (coffee, cacao & palm), with participation of 3-5 major commodity buyers such as JDE, OLAM, ECOM, Grupo Romero. 2.2 Increased capacity of an estimated 50.000 small holders technical and financial capacity
<b>C3. Reducing biodiversity loss and restoration of ecosystems, HVCF and natural habitats</b>	3.1 Strengthened restoration practices of productive landscapes in around 9.5 million ha, including HVCF corridors (to protect biodiversity) and productive landscapes; and 7.7 million GHE mitigated. 3.2 Increased area of HVCF has enhanced connectivity, biodiversity conservation and secured ecosystem services in key productive landscapes.
<b>C4. Project Coordination, M&amp;E and knowledge management (KM)</b>	4.1 The results of Components 1, 2 and 3 are successfully achieved with support of a communication and training strategies. 4.2 Successful practices are replicated in other regions and support deforestation free commodities platforms at global level; with participation of a wide range of departmental, regional national and global commodity platforms (with increased small holders and private sector engagement) . 4.3 Empowerment and informed participatory decision-makers at local, regional and national agencies, as well as supply-chain actors; with emphasis on gender balance, ethnicity and equity. 120.000 direct beneficiaries (42.000 female and 78.000 male). At least 50.000 small holders shifted to deforestation free commodities.

GEF7 funding combined with IP FOLUR financing will have a significant incremental effect on the project impact. For example, best practices can be scaled up to benefit a large number of coffee/cocoa/palm independent small holders (80% of the total small holders are not members of producer's associations).

3) Engagement with the Global / Regional Framework (*maximum 500 words*)

**Describe how the project will align with the global / regional framework for the program to foster knowledge sharing, learning, and synthesis of experiences. How will the proposed approach scale-up from the local and national level to maximize engagement by all relevant stakeholders and/or actors?**

The project will generate a set of KM products around the experiences of promoting deforestation free commodities, sustainable food crops and restoration across landscapes. These KM products will contribute to the FOLUR community of practice. There will be exchanges with other FOLUR projects, particularly with similar situations, such as same commodity. Project teams will actively participate in the FOLUR community of practice and, along with government counterparts represent the project in global fora. This will also include contributing lessons to the global platform and its KM efforts both across FOLUR and directly to the wider commodities and food system community. This will all require substantial budget for lesson learning, assessments, evaluations, cross project learning and travel to international community and global events.

The Project will promote and provide input to strengthen regional, national and global commodity dialogue platforms, which in turn, will provide the architecture to support knowledge sharing, learning and synthesizing experiences. On-site experiences at landscape level will be channeled through producers' associations to dialogue platforms at different levels. This bottom-up approach will be complemented with a top-down approach in which lessons from other jurisdictions (national and global) will be integrated through a knowledge management strategy, including platforms working on sustainable production, marketing mechanisms, restoration and food systems (e.g., Urban Food Actions Platform, Sustainable Food value Chains Knowledge Platform, Forest and Landscape Restoration Mechanism, Investment Learning Platform).

The UNDP's Green Commodities Programme's Green Commodities Community (GCC) will be instrumental to share knowledge and experience. The GCC facilitates learning exchange, seminars, guidance materials, one-to-one support and other tools to enable participants to openly share stories, successes, failures, ideas, challenges and solutions with a view to improve their sustainable commodity work more effectively. The GCC facilitates dialogue and knowledge exchange based on the requests and needs of landscape practitioners. Currently, the GCC includes high-leverage virtual workshops and on-going exchange on practical approaches to conducting multi-stakeholder dialogue, engaging the private sector, strengthening forest governance, developing effective national extension services, monitoring land use change and more. Additional specific areas related to the Project's results will be added. A defining advantage of using the GCC is the participation from major commodity producing nations.

A critical element that will be included in the Project's KM products is "how to expand private sector participation" at multiple levels. To this end, as noted before, the Project will work on technical

innovation, different financial instruments and business alliances between producers and buyers (coffee, cocoa and palm) to improve the long-term sustainability of commodity value chains. For example, ACOPAGRO, CENFROCAFE, COPBAM, INDUPALSA, JUNPALMA, private banks, capital markets, and key supply chain actors, including micro financial institutions (*Caja Sullana, Caja Arequipa, Caja Huancayo, Caja Los Andes*) and large commodity buyers (JDE, OLAM, ECOM, Grupo Romero). This approach is consistent with the Government's 2021 Policy on "Equitable, Competitive and Sustainable Economic Growth" that promotes the compliance of Peruvian agricultural export products (e.g. coffee and cocoa) with environmental standards required by international markets. The Regional Governments have ratified their commitment through the GCFTF.

During the PPG Phase, detailed strategies to upscale the Project's interventions will be introduced. These strategies will establish a roadmap to influence and transform the production and value chain agenda at the national level; likewise, details on how the Project will contribute to meet Peru's LDN Targets will be outlined during the PPG Phase.

To scale up results and impact food systems at global level, the Project will be fully aligned with the FOLUR's Knowledge to Action (K2A) Global Platform's structure<sup>50</sup>, objectives, and outcomes. The Project will engage through several UNDP's related programmes and projects such as the GCP/GCC (indicated above), Food Systems and Land Use Change, ILM, Ecosystems and Biodiversity, Green Growth Partnership, and the UNDP Climate and Forest Team. These initiatives carry out related work in Peru and countries and platforms outside Peru. The UNDP Climate and Forest Team's work on supporting the implementation of the national REDD+ agenda has traditionally been closely coordinated with FAO through the UN-REDD program. They also support programs related to indigenous land titling, forest use plans, sustainable production of commodities (through partnerships with the private sector), economic incentives (e.g., conditional direct transfers) and improving forest management information, which are particularly relevant to the Project. Besides, the Project will also engage through appropriate Government's Programmes and other related initiatives led by FAO and IFAD.

The Project will coordinate with the global coordination unit housed in the FOLUR's K2A Global Platform, as well as specific collaboration mechanisms established by the K2A Platform. The project will also connect with similar country projects within FOLUR to share resources and develop collective knowledge management products.

The Project's global connections will facilitate the project linking to global buyers interested in sourcing from jurisdictions that are advancing towards deforestation-free commodity production and learning the latest best practices and policies that influence the global markets. To this end, the project will ensure a permanent connection to global initiatives such as RSPO, WCF, ICO, GRSB, as well as global efforts on ILM, land use change, productive landscapes, ecosystems restoration, biodiversity protection and forest conservation such as the NYDF Global platform. The project will form coalitions to pursue FOLUR's objectives and outcomes, and the Project's partners will take on and promote FOLUR catalyzing innovations, as well as increase investment, both public and private.

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<sup>50</sup> The partnership structure of FOLUR IP Platform: World Bank (IP Lead Agency), Food and Land Use Coalition, Food and Agriculture Organization (FAO), Global Landscape Forum and the GCP/GGP. The FOLUR K2A Platform includes three supporting pillars: Capacity strengthening, Policy and Value Chain Engagement, and KM and communications.

The Project will support national counterparts to participate in and speak at different global conferences of relevance and represent FOLUR at these events. Therefore, the Project will deliver shared global benefits.

The above-indicated approaches will ensure a permanent national and global connection to ensure that supply chains do not miss the granular relevance, tangibility and invaluable wisdom from producers that live and depend on the land. Thus, lessons, knowledge, and experience cultivated by those working on-site and at other levels of the value chain (regional, national and global) will be linked, and supply chains will become more sustainable over time and beyond the project intervention.

Lastly, because of the significant target on "Landscape under improved practices (Indicator 4.1: 946,000ha)," during the PPG Phase, the Project will ensure that the expected targets are fully aligned with the relevant outcomes and provide the step-by-step approach to achieving such targets.

## GEF-7 CHILD PROJECT CONCEPT

Tanzania

**CHILD PROJECT TYPE:** FULL-SIZED CHILD PROJECT

**PROGRAM:** IP FOLU

<b>Child Project Title:</b>	Food Systems, Land Use and Restoration in Tanzania's Forest Landscapes
<b>Country:</b>	Tanzania
<b>Lead Agency</b>	Ministry of Natural Resources and Tourism
<b>GEF Agency(ies):</b>	WWF-US
<b>Total project cost (GEF Grant):</b>	\$7,368,808
<b>Total Cofinancing:</b>	\$59,895,873

### PROJECT DESCRIPTION

#### Country Context (*maximum 500 words*)

**Describe the country's relevant environmental challenges and strategic positioning relative to the systems transformation proposed for the program, including relevant existing policies, commitments, and investment frameworks. How are these aligned with the proposed approach to foster impactful outcomes with global environmental benefits?**

Africa is at the frontier of wide-ranging expansion for agricultural production. In Tanzania, rice production has more than tripled between 2004 and 2015, making Tanzania the 2<sup>nd</sup> largest rice producer in South, East and Central Africa. Representing ~18% of cultivated land and growing at over 7% per year, rice expansion represents a threat to the wetlands and high conservation value areas. The rice sector is currently a key point of attention of various Government and donor supported programs geared towards both intensification and extensification, with a growing interest in export to supply adjacent Africa states.

The Government of United Republic of Tanzania (URT) has defined agricultural development as a core element of its Development Vision 2025 (TDV 2025). To ensure that this development occurs in a sustainable way, the country has adopted several policies, laws and regulations that demand consideration for sustainable supply chains and land and water management. Core to this is the Agriculture Sector Development Program, which is currently in its second phase of implementation (2017/18–2027/28).

URT is a signatory to all major international multi-lateral environmental agreements (MEAs), including CBD, UNCCD, UNFCCC and the International Plant Protection Convention. Key Government commitments to sustainable food systems and forest land restoration include:

- URT's commitment to the UNCCD, which sets a goal of full land degradation neutrality by 2030 with a 25% net gain in forest landscapes, through restoring 11,011,950 ha of forests, preventing the loss of 2,640,600 ha of forests, improving land productivity of 1,714,500 ha

of shrub and grassland, 8,462,500 ha of croplands and 361,275 ha of wetlands, increasing soil organic carbon in cropland to 54.5 tons/ha, and reducing soil erosion by 19 tons/ha.

- URT's NDCs to the UNFCCC define a range of measures for reducing the impacts of agricultural expansion on ecosystem, while increasing resilience to climate change; this includes up-scaling the level of agricultural land and water management, and increasing yields through climate smart agriculture.
- URT's commitment to restore 5.2 million hectares of degraded and deforested land (6% of total land in the country) in response to the African Forest Landscape Restoration Initiative (AFR100).

In addition, Tanzania is an active member of relevant international forums, including the Africa Agriculture Development Programme (CAADP), the African Rice Initiative (ARI), the Association for Strengthening Agricultural Research in Eastern and Central Africa (ASARECA) and the The Forum for Agricultural Research in Africa (FARA).

Participating in the IP will afford the chance to manage Tanzania's growing rice production in an environmentally sustainable manner, recognizing the limits of the ecological carrying capacity. As a key agricultural frontier country, Tanzania represents an example for the large scale food systems transformation in Africa that has begun to spread across the continent.

### **Project Overview and Approach (maximum 1250 words)**

**Provide a brief description of the geographical target(s), including details of systemic challenges, and the specific environmental threats and associated drivers that must be addressed;**

The target landscapes are the Kilombero district within the Kilombero sub-basin on mainland Tanzania (1,356,130 ha), and the North A/North B districts on Zanzibar (hereafter referred to as Unguja landscape, 43,100 ha) – see map in Annex B.

The Kilombero district is in mainland Tanzania and hosts the majority of the Kilombero Valley Ramsar-designated wetland system, as well as other areas of high biodiversity significance such as part of the Selous Game Reserve, Tanzania's largest National Park and a designated World Heritage Site, parts of the Eastern Arc Forests, and a major wildlife migration corridor. The Kilombero Valley is targeted for large-scale agricultural expansion under the Southern Agricultural Growth Corridor (SAGCOT), Tanzania's largest agricultural development programme<sup>51</sup>. The 2002 Ramsar status assessment<sup>52</sup> noted key threats to the wetland related to rice production, which has become even more relevant today with the recent official launch of the SAGCOT Kilombero Cluster, which foresees an expansion of commercial rice agriculture by national and international private companies in the Valley. At present, at least 60% of the wetland area has already been converted to cultivated land. Water needs for irrigation are increasingly becoming a constraint to both the biodiversity in the wetland system, as well as downstream wildlife areas. A key challenge is that current yields are among the lowest in the world and long supply chains (~35 cash transactions

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<sup>51</sup> The Southern Agricultural Growth Corridor (SAGCOT), which is a major focus of this proposed project, is Tanzania's largest agricultural development initiative. The SAGCOT corridor cuts across various landscapes of globally important biodiversity value. The SAGCOT Greenprint, which is SAGCOT's green growth strategy, recognizes the need for preserving the ecological functions of forests, water and other critical resources through sustainable land and water management, and efficiency of production systems and value chains, as a basis for long-term sustainability and climate change resilience.

<sup>52</sup> [https://www.ramsar.org/sites/default/files/documents/library/ram83\\_kilombero\\_valley\\_tanzania\\_2016\\_e.pdf](https://www.ramsar.org/sites/default/files/documents/library/ram83_kilombero_valley_tanzania_2016_e.pdf)

along the value chain), combined with poor transport networks, pose additional challenges. A system of Sustainable Rice Intensification has been launched to counter these inefficiencies.

The Unguja landscape covers historically rich coral rag forests and hosts the islands' major aquifer systems, which is the basis for food crop production. The demand for food has driven large-scale conversion of forest lands, resulting in high levels of land degradation. Current production is mainly geared towards domestic supply of various food crops. Because of its irrigation potential, it is also the main target for ongoing investments in the rice production sector as supported by the World Bank and South Korea. Zanzibar furthermore represents an important trading hub for agricultural and other products from the mainland.

A more detailed description of each of these landscapes is presented in Annex B.

The key environmental problem to be addressed by the project is the degradation of Tanzania's rich forest lands and wetlands and the related loss in forest health and biodiversity, which has detrimental effects on the delivery of ecosystem services (including carbon sequestration) and related livelihood and economic opportunities. A schematic representation of the problems and barriers facing Tanzania's forest landscapes is presented in Annex C. The main threats to Tanzania's forest landscapes are 1) land use change; 2) unsustainable agricultural practices; and 3) disruption of hydrological cycles. The key barriers to be addressed by the project are: 1) weaknesses in land and water use planning and management; 2) absence of a framework for encouraging sustainable investments and value chains; and 3) absence of a conducive legal, policy and institutional framework to guide sustainable land and water management.

**Describe the existing or planned baseline investments, including current institutional framework and processes for stakeholder engagement and gender integration;**

The project will build off an extensive baseline of emerging integrated landscape management: an initial inventory of baseline projects and initiatives revealed over 25 projects and initiatives (see Annex D), amounting to an investment of at least US\$60 million.

Specifically relevant to the FOLUR IP are the Agricultural Sector Development Program, SAGCOT, the Expanding Rice Production Project (ERPP), the Water Resources Integration development initiative (WARIDI) – which supports among others a pilot PES scheme in the rice sector, the Feed for Future program and the Tanzania Climate-Smart Agriculture Program (see Annex D for a detailed description of these initiatives). The Ministries of Agriculture for mainland Tanzania and Zanzibar provide the leading institutional structure for these initiatives.

Furthermore, the National Land-use Planning Commission and its sister department in Zanzibar are mandated with the development of land-use plans. Draft Land Use Framework plans for both Kilombero and the Unguja landscape in Zanzibar have been developed, although they haven't been fully translated into village level plans or specific investment and development plans.

Another key baseline initiative is the Rufiji basin Integrated Water Resources Management and Development Plan (IWRMD), under the Ministry of Water, which lays out a broad inter-sectoral approach towards management of the Rufiji's water-resources and related catchments.

Finally, the National Forest Programs for mainland Tanzania and Zanzibar, and their related policies, laws and regulations under the Ministries of Natural Resources, provide an important baseline for the wider conservation and restoration of Tanzania's rich forest landscapes.

For stakeholder engagement, the project will build on existing structures established by Government, including the District Land use Committees, the Rufiji basin IWRM multi-stakeholder group and the SAGCOT Kilombero cluster multi-stakeholder platform, as well as the Municipal and District Councils, the Ward Development Councils (WDCs), Village Councils ("Sheha's" in Zanzibar) and Village Natural Resource Committees. A detailed Stakeholder Engagement Strategy will be developed during the project design phase.

A Gender and Social Inclusion Strategy will be developed during the project design phase, building on Tanzania's Women and Gender Development Policy (2000) and the National Strategy for Gender Development (NSGD).<sup>53</sup>

- 8. Describe how the integrated approach proposed for the child project responds to and reflects the Program's Theory of Change, and as such is an appropriate and suitable option for tackling the systemic challenges, and to achieve the desired transformation with multiple global environmental benefits; and**

The proposed child project represents an integrated approach that combines aspects of sustainable food systems and deforestation free supply chains, with broader landscape level planning, management and restoration for the preservation of ecosystem services in some of Tanzania's key agricultural growth areas, in line with the overall focus and outcomes of the FOLUR IP (see below).

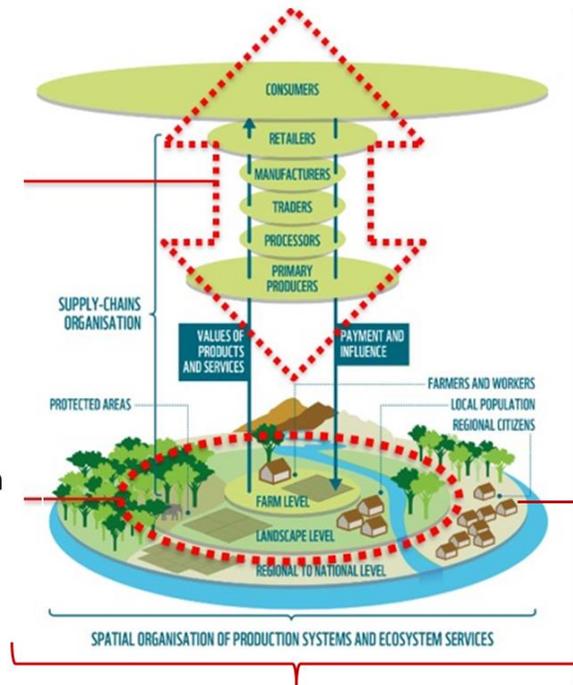
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<sup>53</sup> The project's gender strategy will specify measures for equitable access and control of natural resources, participation and decision making, and socio-economic benefits and services, including indicators and gender disaggregated monitoring.

## Four axes of integrated food systems, land use and restoration action

**Axis 2.**  
Sustainable  
value chains

**Axis 3.**  
Conservation  
and  
restoration



**Axis 1.**  
Land- and  
water use  
Management

**Axis 4.**  
Collaboration, coordination and M&E

Integrating these three objectives requires a cross-sector approach led jointly by the Ministry of Agriculture and the Ministry of Natural Resources.

The project will generate multiple GEBs, including improved management and protection of water and land in an area of high value biodiversity; enhanced carbon sequestration capacity through the improved management and restoration of forest landscapes; and abatement of land degradation through improved land-use planning, agricultural practices and forest landscape restoration. Within the context of Tanzania's ambitious agricultural development goals, the project's impact will extend well beyond the specific target landscapes, and will also provide a scalable model for the wider Africa region.

**Describe the project's incremental reasoning for GEF financing under the program, including the results framework and components.**

Building off a baseline of sectoral-focused and site-specific approaches, and Tanzania's commitment to 'green' agricultural expansion, the child project will adopt an integrated and cross-sectoral approach to connect land and water use planning and management (component 1), sustainable and socially inclusive rice supply chains (component 2), and natural ecosystem restoration (component 3) to generate biodiversity, carbon storage, and livelihood benefits. By working at the landscape, national, and global level (through the FOLUR program), the project will build a coherent framework for achieving its objective *to promote integrated land and water management, restoration, and*

*sustainable and inclusive rice value chains to prevent deforestation in priority landscapes in Tanzania.*

The four project components include:

**Component 1** involves the application of an Integrated Landscape Management approach, including negotiating a land-use plan and related water allocation and protection plans through a multi-stakeholder process, and operationalize their implementation by creating an enabling environment that incentivizes private sector engagement towards sustainable landscape management practices. This Component also includes cooperation between Tanzania mainland and Zanzibar

**Component 2** focuses on the development of sustainable and socially inclusive value/supply chains for the rice production sector, including the development of supporting governance, finance and market approaches that will drive sustainable value chains.

**Component 3** targets the development and implementation of concrete landscape restoration activities in the target landscapes, including the creation of enabling conditions for upscaling.

**Component 4**, focuses on coordination, cooperation, and M&E, including knowledge sharing, learning, and synthesis and communication of experiences nationally and regionally (see following section).

#### **Engagement with the Global / Regional Framework (*maximum 500 words*)**

**Describe how the project will align with the global / regional framework for the program to foster knowledge sharing, learning, and synthesis of experiences. How will the proposed approach scale-up from the local and national level to maximize engagement by all relevant stakeholders and/or actors?**

Component 4 of the Tanzania FOLUR Child Project focuses on coordination, cooperation, and M&E, including knowledge sharing, learning, and synthesis and communication of experiences nationally and globally through the FOLUR coordination Child Project. The key elements thereof are summarized below.

##### **Coordination**

The Project Management Unit will ensure consistent coordination with the FOLUR Program through program-level calls and information sharing. At the national level, inter-agency cooperation and coordination will be mainstreamed throughout the project components. Finally, the Project Steering Committee will be designed to ensure both efficient decision-making and inclusion of key stakeholder from the national/landscape level.

Tanzania will be an active member of relevant international forums, including the Africa Agriculture Development Programme (CAADP), the African Rice Initiative (ARI), the Association for Strengthening Agricultural Research in Eastern and Central Africa (ASARECA) and the The Forum for Agricultural Research in Africa (FARA). The project will coordinate with these forums/platforms to scale results and impact for rice value chains at a regional level.

### **Monitoring & Evaluation**

The project's Monitoring and Evaluation framework will include project-specific indicators and GEF Core Indicators that will contribute to the wider FOLUR Impact Program. An annual reflection workshop will be organized with landscape and national level stakeholders to evaluate the child project's strategies and approach. Bi-annual (6 monthly) reporting, a midterm evaluation, and a terminal evaluation will track project-level progress and allow for learning and synthesis of experiences.

### **Knowledge Management and Learning**

The project will develop a knowledge management strategy during project development to ensure knowledge is appropriately (i) captured, (ii) analyzed, and (iii) shared and incorporated into the project strategy when relevant. A key focus of the knowledge management strategy will document lessons/steps towards Integrated Land and Water Use Planning, Sustainable Value Chains (rice) and models for effective forest land management and restoration. The project will develop knowledge products that could be shared with the wider FOLUR Learning Network, and the project team and stakeholders will also be participating in learning and experience exchange events organized under this umbrella.

More specifically, the project has allocated budget to attend regional learning events organized by the FOLUR Program Coordination Project. The project will also finance exchange visits with other FOLUR countries. These activities will be designed in close coordination with FOLUR partner countries to maximize learning and information exchange during the life of the project.

### **Communications**

A communications strategy will be developed during project development to support knowledge management and information sharing. Communications products such as a project website will be developed and linked to the FOLUR Program. Information will be disseminated to local, landscape, national, and FOLUR program-level stakeholders.

DESCRIPTION OF FOCAL LANDSCAPES

Kilombero

The Kilombero River (also known as Ulanga River) forms the boundary between the Ulanga District and Kilombero District of the Morogoro Region in the southwest of Tanzania. The Kilombero River supplies  $\frac{2}{3}$  of the Rufiji waters and is formed by the convergence of major rivers coming from the mountain ranges of the Mbeya and Iringa regions on the eastern slope of the East African Rift and south from the Udzungwa Mountains and Mahenge Mountains. The Kilombero Valley is a natural wetland ecosystem comprising a myriad of rivers, which make up the largest seasonally freshwater lowland floodplain in East Africa. The floodplain occupies the flat floor of the Kilombero valley at 210 - 250 meters above sea level (m.a.s.l). The valley is oriented south-west north-east, between densely forested escarpments in the Udzungwa Mountains, which tower at 2,250 meters above the valley floor on the north-western side and the Mahenge Mountains on the southern side.

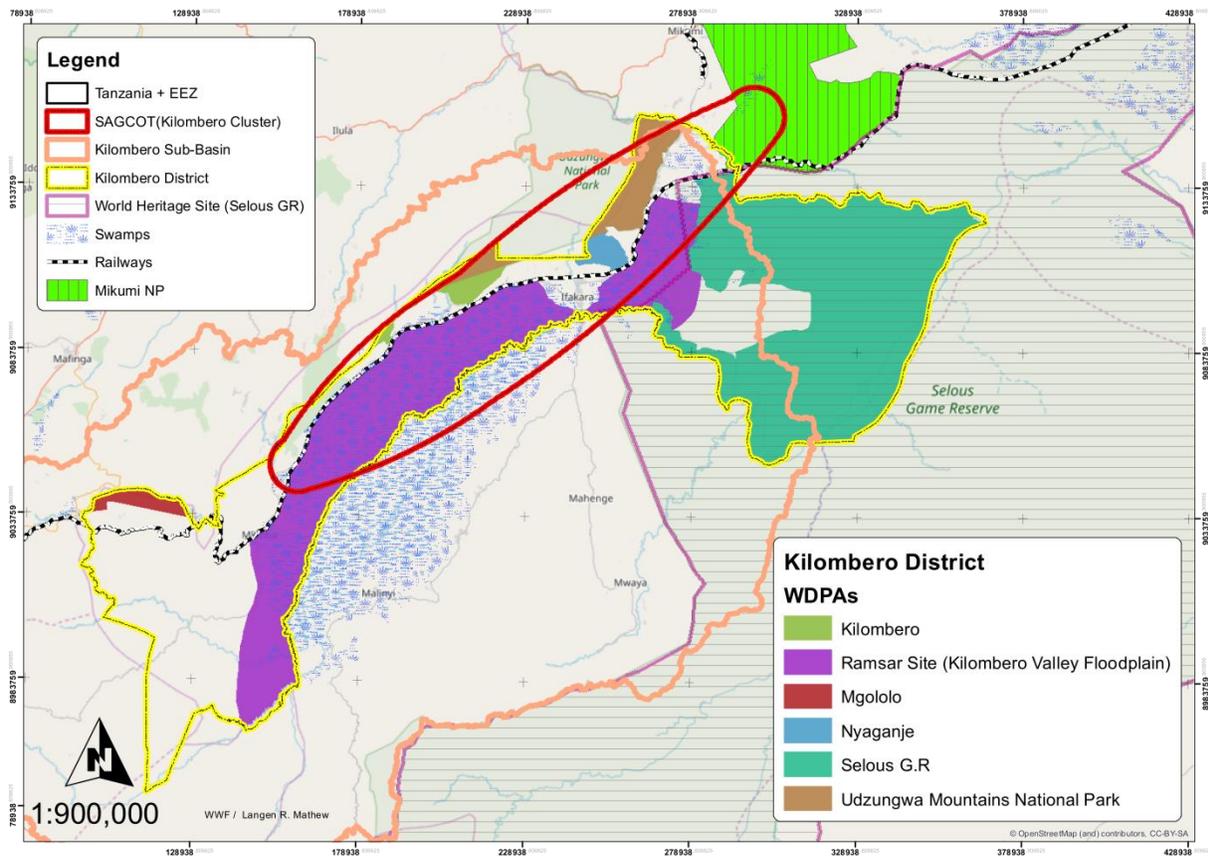
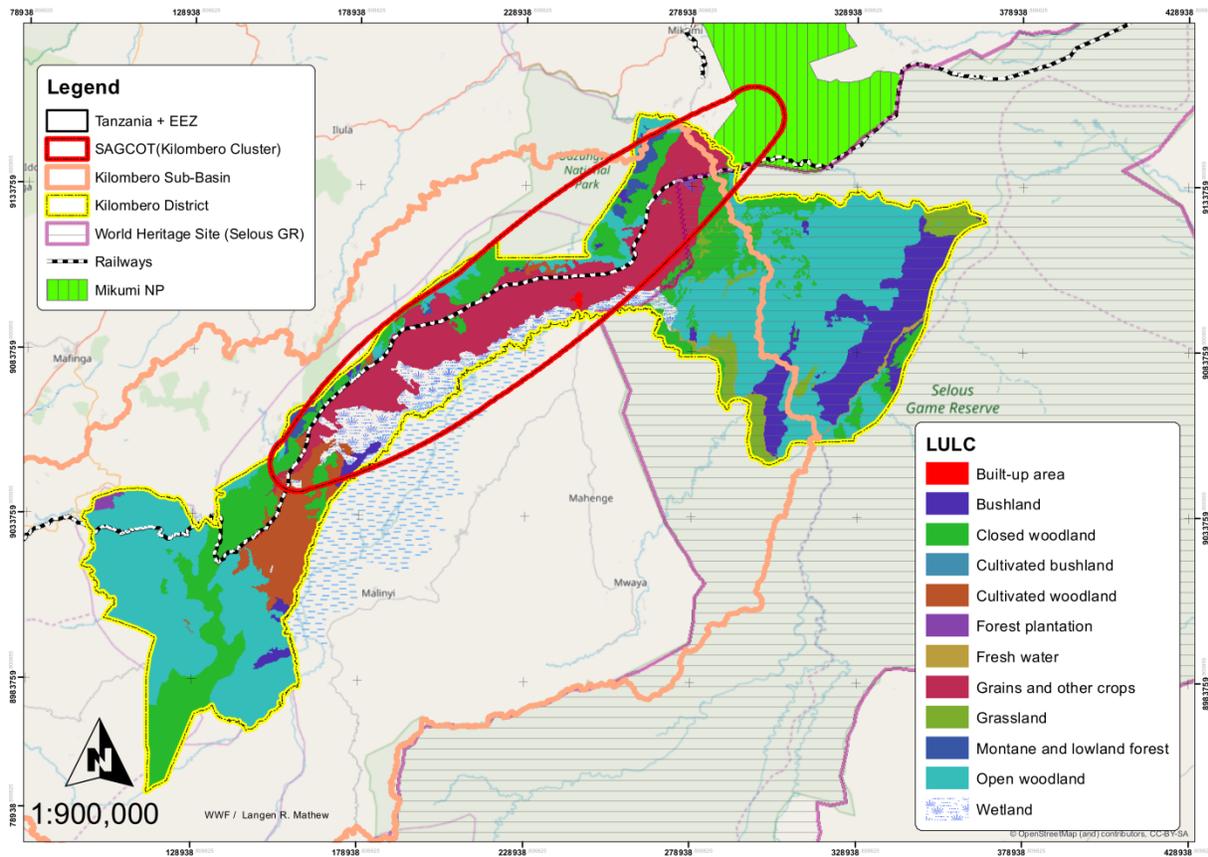


Figure 1 Map of the Kilombero Sub-basin showing major protected areas



**Figure 2 Map of the Kilombero Sub-basin showing current land use**

The Kilombero Valley is characterized by its large populations of large mammals (e.g. buffalo, elephant, hippopotamus, lion, and puku), and hosts the world's largest Puku population. The Valley is also home to one of the largest populations of Nile crocodile in Africa, is known as an important breeding ground for bird species such as the African open-bill, white-headed lapwing, and the African skimmer, and is home to a range of endemic species including the Udzungwa red colobus monkey, the Ulanga weaver and two undescribed species of cist-colas. The Kilombero river is home to 23 species of fish including three species of fish not found downstream in the Rufiji: *Alestes stuhlmannii* and two species of *Citharinus congicus*. Fish from the Rufiji River system migrate upstream to the Kilombero to spawn, usually at the beginning of the rains in November with peak spawning activity coming in December.

The majority of the (mainly rural) population in the Kilombero Valley are subsistence farmers of maize and rice, as well as fishing and livestock. In addition, there are large plantations of teak wood in the Kilombero valley. In the north-west of the district, Illovo Sugar Company's sugar-cane plantations occupy most of the low-lying area.

In recent years the increase of farming encroachment in the valley has put pressure on the only two remaining wildlife corridors: the Nyanganje Corridor and Ruipa Corridor. The valley constitutes one of the most fertile areas in Tanzania, and in the past decade the availability of unprotected land has attracted a large number of migrants into the floodplain and the miombo woodland. As a result, large areas of the miombo have been cleared for farming and cattle grazing. Although the majority of the villagers are subsistence farmers, mainly cultivating rice and maize, the extent of human encroachment is so significant that it threatens the survival of many species and the viability of the whole ecosystem. Similarly, mining activities (the proper mining and exploration licenses) have also been observed to be emerging as a threat to the valley. The degradation of the miombo woodlands and the floodplain is of great concern as their importance as a wildlife refuge is likely to increase as the remaining corridors are getting more and more fragmented.

The Kilombero holds great potential for expansion of agricultural irrigation and hydropower production. Large increases in agricultural irrigation in this sub-basin have been planned under SAGCOT, with the irrigated farm area in the dry season expected to increase from 6,512 ha, as measured in 2010, to 110,891 ha by 2035. However, the Rufiji basin Integrated Water Resources Development Plan (IWRDP) shows that the consumptive water use scenarios for 2025 and beyond will cause depletion of dry season flows below Environmental Flow Requirements (EFRs) in the Kilombero River. Strategies defined in the IWRDP include (a) transferring water from wet to dry seasons through suitable storage management (damming) and (b) using conjunctively surface and ground water sources.

The Kilombero sub-basin also has high hydropower development potential, with several major hydropower stations proposed over the planning horizon. The proposed hydropower stations (i.e., Ruhudji, Mpanga, Taveta-Mnyera, and Ikondo power stations) are all located in mountainous catchments with little existing and projected consumptive water use. For this reason, existing and proposed hydropower stations in the Kilombero sub-basin are expected to meet their power generation targets even under the 2035 water use scenarios, although there are question related to their long-term prospects.

# Zanzibar

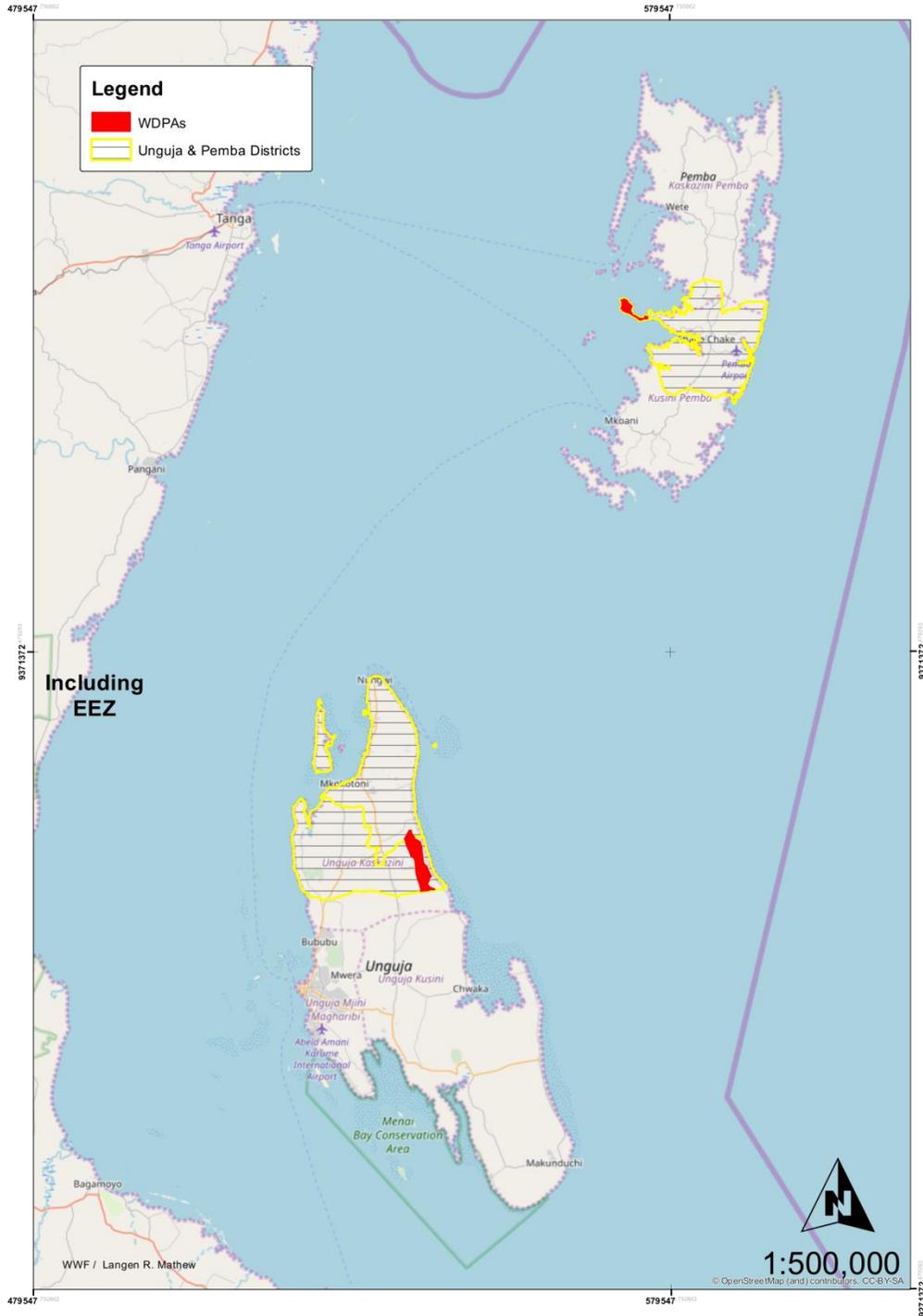


Figure 3 Map of the project areas on Zanzibar

### **North A and North B District – Unguja (Zanzibar)**

North A represents the northern-most district on Unguja Island, covering an area of 211 km<sup>2</sup>, sharing borders with North B in the South, and the Indian Ocean in the North, West and East. The estimated total population of North A district was 105,880 (51,566 male and 54,214 female) during the latest census in 2012 (DoURP, 2012) with an annual growth rate of 2.4% and a Human Development Index of 3.5 and the second lowest level of literacy (65%) in Zanzibar.

Agriculture is the predominant occupation of the workforce and contributes 87 percent of the average incomes of farming households in the district, with fishing and tourism accounting for the remaining. About 59 percent of North A district population do practice subsistence farming, with major food crops being paddy, banana, yams, cassava, tomatoes, maize and millet, and the major cash crops being cloves and seaweeds. Agricultural practices are generally low intensity, characterized by a high dependence on rain-fed agriculture, poor agricultural practices, high post-harvest losses, inadequate access to agricultural inputs and appropriate irrigation technologies, and the use of primitive farm tools.

North B district lies in North part of Unguja Island covering an area of 220 km<sup>2</sup>. It is bordered by Central district and Western B to the South, North A district to the North and the Indian Ocean to both, West and East. The District headquarter is situated at Mahonda (DoURP, 2012).

According to the 2012 National Population and House Census, North B District has a population of 81,675 inhabitants, of which 40,548 are male and 41,127 are female with an average household size of 4.7. The population density has increased dramatically over the past decades, increasing the pressure on land for the production of crops (HBS, 2009/10).

The main food crops grown in the district include banana, sorghum, maize, coco yams, vegetables and cassava. Performance of the agriculture sector in the district is good due to availability of rains, fertile lands, extension services, availability of inputs and a favorable land tenure system. Production of food crops such as rice, banana, maize and legumes have been increasing in recent years.

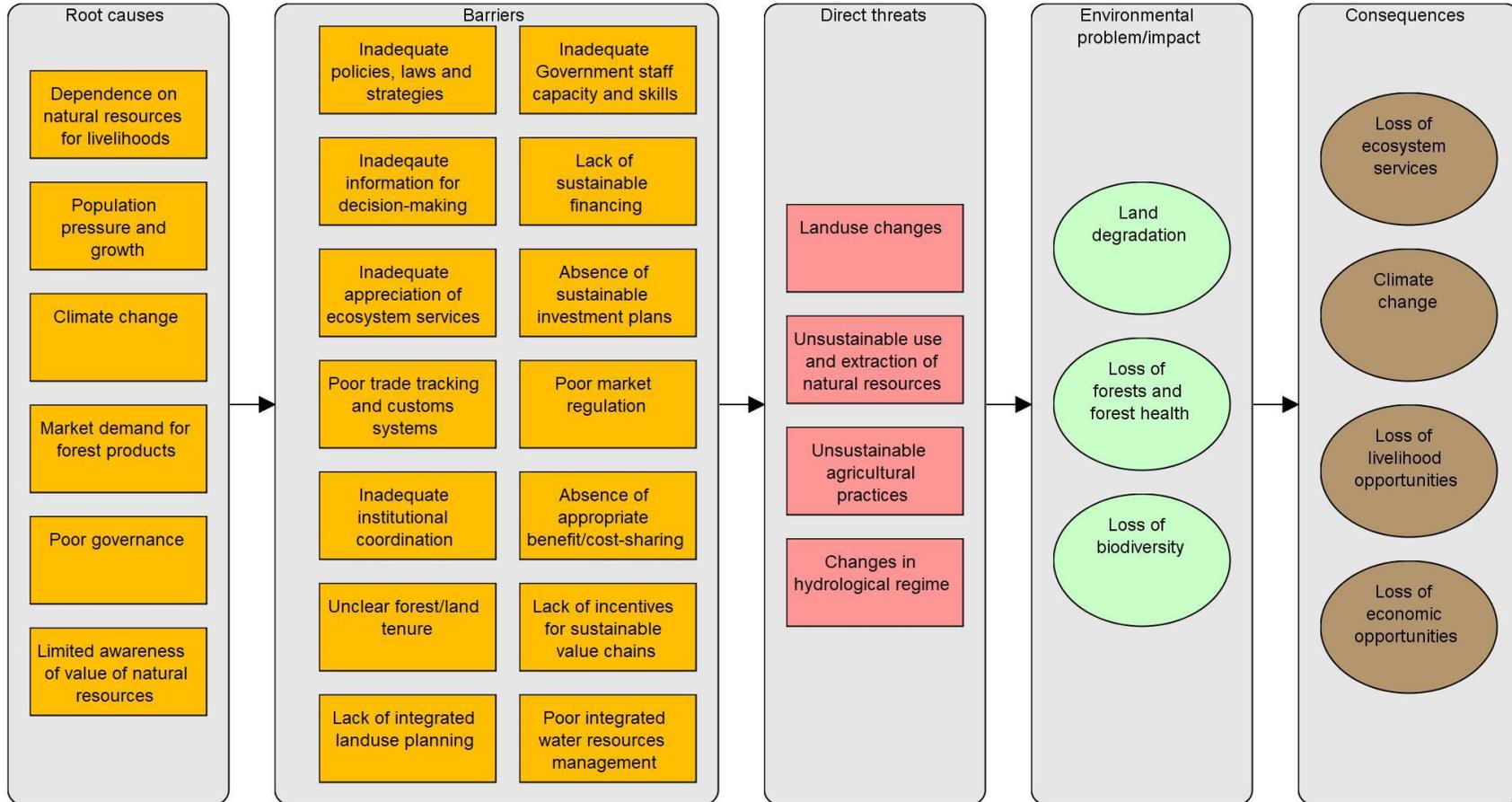
Up to 30-40 years ago, North A and North B districts were known to be very fertile and composed of various tree species such as Mitomondo, Misufi, Miembe, and Mitondoo. However, much of the area's rich forests were heavily cut to make space for agriculture, with only remnants of the original forest cover remaining. This causes the disappearance of valuable tree species, including their protection of the rivers and ponds in the district.

An important feature of the North A and B region is its aquifer systems, the largest and most important source of freshwater on Unguja Island, which provides the basis for both domestic water supply and irrigated agriculture. Being the 'water tower' of Unguja, this important livelihoods source is important to preserve, which is main reason for the selection of these two focal districts for this project.



## Annex C

### SCHEMATIC PROBLEM ANALYSIS



## Annex D

### PROVISIONAL LIST OF KEY BASELINE PROJECTS AND PROGRAMS

#### Key national programs

- **The Southern Agricultural Growth Corridor of Tanzania (SAGCOT)** (2016-2021) is an inclusive, multi-stakeholder partnership aimed at rapidly developing the region's agricultural potential. SAGCOT was initiated at the World Economic Forum (WEF) Africa summit 2010 with support from USAID and other founding partners including farmers, agri-businesses, the Government of Tanzania and companies from across the private sector. SAGCOT's objective is to foster inclusive, commercially successful agribusinesses that will benefit the region's small-scale farmers, and in so doing, improve food security, reduce rural poverty and ensure environmental sustainability. The risk-sharing model of a public-private partnership (PPP) approach has been demonstrated to be successful in achieving these goals and SAGCOT marks the first public-private-partnership of such a scale in Tanzania's agricultural history.
- **Agricultural Sector Development Program (ASDP-II)** is funded through various national and international sources and supported by the World Bank. The Project will build on the lessons learned from the first phases and will strive to create synergies within each district with projects on agriculture and land restoration. Using a participatory land use planning process in which district administrations play a key role will ensure that proposed project investments are truly complementary to planned and ongoing investments in each site.
- **Water Sector Development Program (WSDP-II)**, a phased multi-donor funded program running from 2006–2025, has four components: (i) Water Resources Management; (ii) Rural Water Supply and Sanitation; (iii) Urban Water Supply and Sewerage; and (iv) Institutional Development and Capacity Building. It follows a Sector Wide Approach to Planning (SWAP), with the ambitious objective of securing universal access to water supply services in urban areas and covering at least 90% of the population with water supply services in the rural areas by 2025, while ensuring environmental sustainability through integrated water resources management principles.
- **Expanding Rice Production Project (ERPP)** funded within the framework of the Global Agriculture and Food Security Programme (GAFSP), with the support of the World Bank; a US\$ 22.9 million initiative of the Ministry of Agriculture to increase the productivity and production of rice in targeted areas of Morogoro and Zanzibar.
- USAID funded project implemented by Tetra Tech '**Water Resources Integration development initiative (WARIDI)**' which targets, among others, the Rufiji river basin. The WARIDI project will run from 2017 to 2020, with a total budget of US\$ 48M. The project supports, among others, a pilot PES scheme with Tanzania Forest Conservation Group for rice producers with Kilombero Plantation Limited (KPL).
- **Forestry and Value Chains Development (FORVAC)** is a 4-year (2018-2022) program, funded primarily by the Government of Finland, with a primary focus of creating forest-based income, livelihoods and environmental benefits through (i) improved value chains and increased private sector involvement in the community and government forests; and (ii) improved capacities, monitoring systems, and legal and policy frameworks in the forest sector.
- **Tanzania Forest Fund** is a Conservation Trust Fund established by the Tanzania Forest Act, as a mechanism to provide long term, reliable and sustainable financial support to Forest

Conservation and Sustainable Forest Management (SFM) in the Country. The Fund is a Public Fund which was made operational in July 2010 as a Not-for-Profit organization governed by a Board of Trustees. The main intent of establishing the Tanzania Forest Fund is to mobilize and provide stable and long term sources of funding for conservation and sustainable management of natural resources in Tanzania. Priority areas for funding includes forest resource conservation and management aimed at ensuring proper forest land management as well as ecosystem conservation, community based conservation and sustainable livelihoods focused on promoting community conservation initiatives and improving benefit sharing of community adjacent to forest resource base, and applied and adaptive research on management of forest resources and livelihood.

- **Tanzania's Livestock Modernisation Initiative (TLMI)** is a government-led initiative aimed at increasing food and nutrition security and food safety, creating employment and contributing to the national economy, social stability and sustainable environment.
- The **National Engagement Strategy**, supported by the International Land Coalition and several NGOs, is a strategy used to strengthen existing multi-stakeholder national land platforms and joint strategies for coordinated action towards good land governance, which focuses on policy dialogue and coordination.
- **Sustainable Rangeland Management Project (SRMP)** (2016-2020). SRMP has entered its third phase with the financial support of International Fund for Agricultural Development of the United Nations (IFAD), Irish Aid, the International Land Coalition (ILC), International Livestock Research Institute (ILRI) and the government of Tanzania. This phase focuses on the scaling-up of the joint Village Land Use Planning (VLUP) approach in several new clusters of villages, as well as expanding the original ones. This project will assess if elements and lessons learned of the VLUP approach can be integrated into landscape planning processes.
- **Tanzania Climate-Smart Agriculture Programme** (2015-2025), funded by DFID, and coordinated by VPO and MALF and part of the Agriculture Climate Resilience Plan 2014-2019, which has six strategic priorities, namely: i) improved productivity and incomes; ii) building resilience and associated mitigation co-benefits; iii) value chain integration; iv) research for development and innovations; v) improving and sustaining agricultural advisory services, and vi) improved institutional coordination.
- **The Global Climate Change Alliance Program** (2015-2020), supported by the EU, with an overall objective to increase local capacity to adapt to climate change, by supporting the establishment of a number of eco-villages where adaptation measures are tested in sectors such as agriculture, rangeland management, water management, sanitation and biomass energy. Main activities include climate smart agriculture, water use efficiency, diversification and renewable energies.
- Launched in 2000, the **Tanzania Social Action Fund (TASAF)** is now in its third phase, implementing a Productive Social Safety Net (PSSN) programme which targets more than one million poor households in the country, including in Zanzibar. The initiative represents an investment of US \$30,876,671 during 2015-2020. The objective is to improve livelihoods and progress out of poverty. TASAFIII mostly targets people living under the basic needs poverty line, who currently constitute 33 per cent of the population.
- The **Piloting Carbon Financing and Community Forest Management in Pemba** (known as HIMA) is a joint implemented project between CARE International, Norway and the Government of Zanzibar; DFNRNR is the primary implementing partner. The goal of the project is to reduce greenhouse gas emissions from deforestation and degradation in Zanzibar, and generate carbon income which will provide direct and equitable incentives to communities to conserve forests sustainably. More specifically the project aims to promote a pro-poor gender-equitable

approach to community forest management in Zanzibar, including piloting of carbon financing for Reduced Emissions from Deforestation and Forest Degradation (REDD).

- The **Feed the Future program in Tanzania**, supported by USAID through the Global Hunger and Food Security Initiative (2011-2017), is aimed at reducing food insecurity through investments aimed at improving agricultural productivity, improve market access through roads, increased trade through value chain efficiency, and supplementary feeding programs.
- The **Land Tenure Support Programme** (DIFID/DANIDA/Sida) (2016-2019) supports the Government of Tanzania, through the Ministry of Land Housing and Human Settlements Development (MLHSD), to make information on land records and processes of land allocation publicly available, and clarify and address current constraints to protecting legitimate land claims.
- The **Kilimanjaro Initiative** is an idea that was conceived by rural women and supported since 2012 by civil society organisations and NGOs such as Action Aid, Oxfam and Care. It aims to claim Tanzanian women's rights to access and control over land and natural resources.
- **Sustainability and Inclusion Strategy for Growth Corridors in Africa (SUSTAIN-Africa)** The project is focusing on water and food security, land resources and climate change resilience, SUSTAIN-Africa is an IUCN led programme that supports action on sustainability and social inclusion in growth corridors in Africa. SUSTAIN-Africa was launched in 2014 in the SAGCOT growth corridor the project is implemented in Tanzania it Lake Rukwa basin and focuses on land resources, water security, climate change, food security, and new investments and business partnerships. The propose project will collaborate closely with SUSTAIN project and will build on experiences and lessons learned during its implementation so far.
- **Sustainable production and consumption of wood energy**. This is an FAO led project which is expected to start implementation in 2018. Its' objective is to strengthen forest rehabilitation and food security while addressing sustainable consumption of wood energy. Some of the project areas are expected to overlap with this project.

#### **Key international programs that Tanzania has subscribed to**

- **The African Forest Landscape Restoration Initiative (AFR100)** that has a goal of bringing 100 million hectares of deforested and degraded landscapes across Africa into restoration by 2030. The initiative provides technical and financial support to participating African partners to scale-up landscape restoration works on the ground and therefore enhance associated benefits for food security, climate change resilience and poverty alleviation. The AFR100 is also intended to accelerate progress towards achievement of the Sustainable Development Goals (SDGs) and the Paris climate agreement.
- **The African Resilient Landscapes Initiative (ARLI)**, contributes to the implementation of African Landscapes Action Plan (ALAP) and the broader Climate Change, Biodiversity and Land Degradation (LDBA) programme of the African Union.

#### **Existing GEF supported initiatives**

- The UNEP/GEF 'Supporting the implementation of integrated ecosystem management approach for landscape restoration and biodiversity conservation in Tanzania', which is implemented within the broader framework of the **GEF Restoration Initiative (TRI)**. The project provides an important basis for the proposed child project, as it intends to lay the institutional basis for landscape restoration in Tanzania, as well as design and implement targeted restoration plans in a number of key landscapes in the SAGCOT area.

- The project **Safeguarding Zanzibar’s Forest and Coastal Habitats for Multiple Benefits**, supported by UNDP, proposes a landscape approach to safeguard Zanzibar’s terrestrial and coastal forest habitats for multiple development benefits. This will be achieved through (i) strengthening the policy and institutional framework for effective biodiversity and land use management, with an emphasis on coordinated implementation and enforcement; and (ii) strengthening the existing protected area management to ensure the effective protection and management of globally significant biodiversity harboured by Zanzibar as well as on improving sustainable land and forest management at a landscape level to tackle land degradation, climate change mitigation and sustainable livelihoods objectives. The project is currently still in PPG stage.
- UNDP supported project on **Mainstreaming Sustainable Forest Management in the Miombo Woodlands of Western Tanzania** (2012-2016). This project was designed to ensure that biodiversity conservation is mainstreamed into economic planning and development, so that agricultural productivity and sustainable livelihoods are improved while simultaneously improving the ecological integrity of the Miombo ecosystem of Western Tanzania, including securing its productivity from negative effects of climate change in Tabora and Katavi regions. This child project will take up lessons learned from the adoption of sustainable-use management practices for resources harvested by local people for subsistence and local economic growth, and better regulation of commercial activities that were promoted during this pilot.
- The project **Strengthening Climate Information and Early Warning Systems in Tanzania to Support Climate Resilient Development and Adaptation to Climate Change** (2013-2017) is funded by the LDCF and implemented through UNDP and the Tanzania Meteorological Agency (TMA). This project aims to provide more technologies to reinforce capacity of the national early warning network to better anticipate and respond to extreme climatic events.
- **The Ecosystem-based adaptation for Rural Resilience in Tanzania** (2017-2021), funded by the LDCF and implemented by VPO and UN Environment, aims to improve stakeholders’ capacity to adapt to climate change through ecosystem-based adaptation approaches and undertake resilience building responses and strengthen information base on ecosystem-based adaptation to support an up-scaling strategy.
- The IFAD GEF supported project **Reversing Land Degradation trends and increasing Food Security in degraded ecosystems of semi-arid areas of Tanzania** (2017-2021), implemented as part of the GEF 6 Integrated Approach Pilot “Fostering Sustainability and Resilience for Food Security in Sub-Saharan Africa”. The objective of this project is to reverse land degradation trends in central Tanzania and Pemba (Zanzibar) through sustainable land and water management and ecosystem-based adaptation. Geographically, the project has an overlap with the Pemba segment of the proposed child project and close coordination will therefore be required.

## Annex E

### LIST OF KEY PROJECT STAKEHOLDERS AND THEIR ROLE IN THE PROJECT

Stakeholder	Mandate	Role in project
<b>Government Agencies and Institutions</b>		
Ministry of Natural Resources and Tourism (MNRT)	The mandate of the Ministry includes the development of appropriate policies, strategies and guidelines for managing natural resources in mainland Tanzania, including the formulation and enforcement of environmental laws and regulations, and the issuing and monitoring of forest harvesting permits.	<p>Will assume the role of lead Executing Agency through its Forest and Beekeeping Division (FBD).</p> <p>Will furthermore responsible for the review of relevant enabling policy, strategies and regulations under its mandate in support of the project objectives and will work to improve policy-practice interactions. It will also provide technical inputs, as needed.</p>
Ministry of Agriculture, Natural Resources and Fisheries of Zanzibar	Holds a broad mandate of overseeing the management of all natural resources in Zanzibar, including fisheries, as well as for the development of agricultural production	<p>Will act as co-Executing Agency for the project through its Department of Forestry and Non-renewable Natural Resources of Zanzibar (DFNR).</p> <p>Will furthermore responsible for the review of relevant enabling policy, strategies and regulations under its mandate in support of the project objectives and will work to improve policy-practice interactions. It will also provide technical inputs, as needed.</p>
Ministry of Agriculture	Is mandated with providing policy guidance and services for sustainable agricultural development in Tanzania mainland, including the involvement of the private sector and co-operative development	<p>Will be represented at the Project Steering Committee.</p> <p>Will play an important supporting role, in ensuring the uptake of integrated land- and water use planning, the promotion of sustainable value chains and the adoption of appropriate agricultural technologies that conserve natural resources and sustain livelihoods. It will also play an important role in</p>

		capacity building in the targeted districts, in providing related extension services and in brokering public-private partnerships related to sustainable agricultural development.
Ministry of Water and Irrigation	has overall responsibility for national water policies and strategies, management of surface and subsurface water, and conservation and protection of water resources.	<p>Will be represented at the Project Steering Committee.</p> <p>Will lead activities related to water-resources planning and management in the project target areas, in particular in related to the development and implementation of Water Allocation and Protection Plans. It will also play an important role in capacity building in the targeted districts and in brokering public-private partnerships related to water resources management.</p>
Ministry of Livestock and Fisheries Development	Is mandated with providing policy guidance and services for livestock and fisheries development in Tanzania mainland.	<p>Will be represented at the Project Steering Committee.</p> <p>Will play a role in identification risks and opportunities for sustainable livestock and fisheries development in the target landscapes. It will also play an important role in capacity building in the targeted districts in this regard.</p>
Vice President's Office (VPO) – Division of Environment (DoE)	Is responsible for the co-ordination of all national and international matters related to environmental protection and management in mainland Tanzania. It is also responsible for national reporting to the relevant international conventions (e.g. UNCCD, CBD and UNFCCC) and serves as the Focal Point for all matters relating to GEF in the country.	<p>Will be represented at the Project Steering Committee.</p> <p>The Office will ensure the alignment and integration of the project activities with national environmental strategies and plans and ensure policy-implementation. It will also assist with assuring coherence with other GEF projects in the country, and in communicating the results of the project to the broader community.</p>

<p>Second Vice President's Office (VPO) – Division of Environment (DoE) - Zanzibar</p>	<p>Is responsible for the co-ordination of all national and international matters related to environmental protection and management in Zanzibar.</p>	<p>Will be represented at the Project Steering Committee.</p> <p>The Office will ensure the alignment and integration of the project activities with relevant environmental strategies and plans and ensure policy-implementation. It will also assist with assuring coherence with other GEF projects in Zanzibar.</p>
<p>President's Office - Regional Administration and Local Government (PMO-RALG)</p>	<p>Is mandated with building the capacity of Regional Administration, coordinate and monitor Regional affairs and provide support to Local Government Authorities (LGAs) by Regional Secretariats.</p>	<p>Will play a key role in coordinating the engagement of District administrations in the target areas, including in the development of capacity building and awareness activities at District level.</p>
<p>Local Government Authorities (LGA) – District and Ward Development Councils</p>	<p>LGAs, including Municipal and District Councils, and Ward Development Councils (WDCs) are responsible for ensuring sectoral policies, plans, and programs are integrated into locally developed programs</p>	<p>Will play a key role in coordinating and guiding landscape planning and other project activities in the targeted landscapes, and as such will provide technical support for implementation. The Districts will have representation on the Multi-stakeholder Committees</p>
<p>Village Councils/Assemblies and Natural Resource Committees</p>	<p>The Village Councils are responsible for planning and coordinating development activities and rendering assistance and advice to villagers in respect of agriculture, forestry and other such activities. The Village Natural Resource Committees are responsible for overseeing the protection, conservation and lawful utilization of natural resources.</p>	<p>The Village Councils will provide a democratic, institutional vehicle for the project to secure the support, involvement and beneficiation of local communities from project-related activities.</p>
<p>National Land Use Planning Commission (NLUPC)</p>	<p>The NLUPC is responsible for preparing physical land use plans; formulation and co-ordination of land-use policies and legislation, specification of norms, standards and criteria for land-use planning and the protection and beneficial use of land, and the maintenance of land quality in support of</p>	<p>Will be represented at the Project Steering Committee.</p> <p>The NLUPC will play a central role in providing planning expertise required for the project and coordinating and guiding activities related to land-use planning. It will be directly responsible</p>

	improved socio-economic development and optimal production. It has key decision-making powers in respect of land use planning in Tanzania.	for implementation of some project activities related to Land Use Planning.
Tanzania Forest Services (TFS)	The TFS is an executive agency mandated with managing national forest reserves (natural and plantations) and forest resources on general lands.	The TFS has a key role to play in identification of forests to be prioritized for protection, identifying degraded forests for rehabilitation and strengthening enforcement of laws regarding harvesting of forest resources, as well as in the development and implementation of concrete restoration and management plans in this regard.
National Carbon Monitoring Centre, Sokoine University of Agriculture (NCMC/SUA)	Manages the national system of measuring, reporting and verification of carbon in forest ecosystems for the United Nations Framework Convention on Climate Change (UNFCCC). The focus is on Carbon emission reductions in the forestry Sector.	Will be responsible for implementation of project activities related to monitoring forest cover changes, identifying areas with the highest restoration potential, and in estimating and measuring reduced carbon sequestration loss due to the project.
Rufiji River Basin Authority	The Rufiji River Basin Authority is mandated with the management of the Rufiji water system, including water use planning, flow regulation etc.	The Rufiji River Basin Authority will be a key project partner in the development and implementation of Water Use and Protection Plans for the Kilombero and Lower-Rufiji sub-catchments.
Southern Agricultural Growth Corridor for Tanzania (SAGCOT) Secretariat	The SAGCOT Secretariat is mandated with the promotion of the SAGCOT Agricultural Growth Corridor, including implementation of its Greenprint	The SAGCOT Secretariat will play a key role in the development of sustainable agricultural value and supply chains in the Kilombero and Lower Rufiji landscapes, including in facilitating the engagement of private sector partners in this regard.
Tanzania Investment Center (TIC)	TIC is broadly mandated with the promotion of investments in Tanzania, in adherence to the country's national regulations and guidelines.	The TIC will be a key partner in terms of engagement with potential private sector investors, as well as in promoting the implementation of international best practice standards for sustainable production and supply chains.

Tanzania Forest Research Institute (TAFORI)	TAFORI is mandated with leading the countries research and assessment work with regard to its forest landscapes.	TAFORI will be a project partner in terms of the assessment, monitoring and valuation of forests in the target landscapes.
Institute of Resource Assessment (IRA) at the University of Dar es Salaam	The IRA is a branch of the University of Dar es Salaam, with wide-scale mandate for systems analysis in the natural resources sector, including SEA and economic valuation.	IRA will be a project partner in the economic valuation of natural capital systems in the target areas, as well as in undertaking a scenario analysis and related SEA.
Sokoine University of Agriculture (SUA)	SUA is the leading academic and research institution in the agricultural sector in the country.	SUA will be a partner in the identification and development of plans around sustainable food systems and value chains, as well as broader sustainable agricultural development in the target landscapes.
<b>Non-Governmental Organizations</b>		
Worldwide Fund for Nature – Tanzania Country Office (WWF Tanzania)	WWF Tanzania is a locally registered entity of WWF International with a long presence and project history in Tanzania, including substantive engagement in sustainable forest management, community and private sector engagement, and sustainable agricultural development. WWF Tanzania has, among others, been a leading force behind the SAGCOT Green Reference Group. The project is fully in line with WWF Tanzania’s Strategic Plan.	WWF Tanzania will support the MNRT, as the lead executing agency, in fulfilling its role, and in this regard will provide both technical expertise and capacity.
World Wildlife Fund United States (WWF US)	WWF US is an accredited Agency to the GEF, and as such mandated to play the role of Implementing Agency	WWF US will act as the Implementing Agency for the project, and as such will act as bridge between the GEF Secretariat and the lead and supporting Executing Agencies, including assuring quality assurance of project design, and technical and financial accountability.
UN Environment	The United Nations Environment Programme is the leading global environmental authority that sets the global environmental agenda, promotes the coherent	UN Environment will provide linkages to relevant ongoing landscape initiatives in Tanzania under the GEF6 project “Supporting the implementation of integrated

	implementation of the environmental dimension of sustainable development within the United Nations system and serves as an authoritative advocate for the global environment.	ecosystem management approach for landscape restoration and biodiversity conservation in Tanzania”. UN Environment will furthermore provide technical support in relation to sustainable food systems and value chain development.
International Union for the Conservation of Nature (IUCN)		The IUCN has developed a range of important guidance and tools for forest landscape restoration and assessment, and as such is involved in various related initiatives in Tanzania, and as such will be involved in tasks in this regard
Care-WWF Alliance	The Care-WWF Alliance forms a unique alliance between a conservation and a social development oriented organization, which can add substantial value in terms of sustainable agricultural supply and value chain development. The Alliance is currently involved, among others, in work in the SAGCOT area	The Care-WWF Alliance will be engaged in providing technical guidance as well as on-the ground support with regard to the development of sustainable and inclusive value and supply chain opportunities and approaches in the target landscapes.
TRAFFIC	TRAFFIC is a specialized organization in the field of the management of trade in wildlife, forest and other natural resource-based products.	TRAFFIC will be a partner in the development of integrated trade systems and customs-to-customs cooperation for natural resource-based products from the target landscapes.
MEDA	MEDA is a specialized organization in the field of sustainable market systems, financial services, investments, as well as women and entrepreneurship development.	MEDA will be engaged in the identification and development of sustainable market and finance systems for sustainable food production and value chains in the target landscapes.
Tanzania Forestry Conservation Group (TFCG)	Has an organizational mandate to conserve and sustainably manage forests by developing sustainable livelihoods for local communities and through capacity development of the local communities and local	TFCG will be an important partner in terms of developing best practices and sustainable land management options, and may be engaged for technical advice and support in this regard as appropriate.

	institutions to sustainably manage forests.	
<b>Communities</b>		
Communities	The immediately affected populations are the local communities, including small-holder farmers living in the target landscapes.	Communities will be involved as key beneficiaries and custodians of the natural resources in the project area. The Village Councils/Assemblies and Natural Resource Committees will form a key point of entry in this regard. Their involvement in the multi-stakeholder processes established by the project will be key to securing a strong voice of communities in the design of project interventions and related plans.
<b>Private sector</b>		
Private companies	Options for sustainable investments and supply chain development will involve exploration with key private sector partners engaged in agriculture, water supply and other infrastructure, producers and processors, traders, etc.	The project has as one of its specific targets to promote to engagement of private sector in sustainable supply chains and forest landscape restoration. In this regard, Component 2 of the project is dedicated to developing the business models and practically engaging with private sector partners in the development of a sustainable landscape economy, which could take a variety of forms, e.g. as actors in sustainable value/supply chains, as financiers or investors, as technical advisors, etc.

## Annex F

### CONTRIBUTION TO AICHI TARGETS

CBD Aichi 2020 Targets which the project will contribute to	How the project will support achievement of targets
<p><b>Target 2:</b> Integration into development strategies</p>	<p>The project will encourage cross sectoral planning and use of integrated land and water use planning approaches as a means of reconciling long term development needs with the conservation of critical ecosystem functions. The aim is to make sure that these plans and approaches also lead to increased income and livelihood benefits, which paves the way for mainstreaming biodiversity in the development planning process.</p>
<p><b>Target 5:</b> Decrease rate of loss of natural habitats and forests</p>	<p>Through the integrated planning approaches promoted by the project, the loss of natural habitats and forests will decrease, first by ensuring that land and water use management takes into consideration the need to preserve critical ecological infrastructure, and second by increasing the sustainability of agricultural productivity and reducing the need for local communities to expand into natural habitats for their resources.</p>
<p><b>Target 7:</b> sustainable management of agriculture, aquaculture, and forestry</p>	<p>The project sites are composed of agricultural, rangeland, and forested landscapes. The project will identify and test land and water use options that work best for different land uses and land holders (particularly small farmers) to restore productivity and conserve biodiversity at the same time.</p>
<p><b>Target 10:</b> Minimize anthropogenic pressures</p>	<p>The forests, rangelands, and rivers in the three target basins are particularly susceptible to human effects. Conversion of land for agriculture, over-exploitation of water, forest products and other natural resources, and degradation of land due to deforestation and overgrazing have been identified as major threats in the project areas. The project intends to engage communities and local authorities in tackling these drivers of degradation.</p>
<p><b>Target 11:</b> Conservation of terrestrial and coastal water areas</p>	<p>The selected landscapes hold important terrestrial water resources for south-eastern Tanzania and Zanzibar. These water systems support not only people and agriculture, and provide opportunities for energy generation, but also support wildlife in forest reserves and in protected areas. An important focus of the project will be to develop a sustainable water resources allocation and protection plan.</p>
<p><b>Target 14:</b> Ecosystem services</p>	<p>This project will focus on the rehabilitation of degraded forest landscapes in the selected landscapes, and also on the preservation of related ecological infrastructure such as rivers and wetlands.</p>
<p><b>Target 15:</b> Ecosystem resilience and</p>	<p>Through its focus on the management and restoration of forest landscapes, the project is expected to contribute to carbon sequestration and other ecological functions of forests in the selected landscapes.</p>

carbon stocks	
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Thailand

**GEF-7 CHILD PROJECT CONCEPT**

**CHILD PROJECT TYPE: National**

**PROGRAM: FOLUR IP**

<b>Child Project Title:</b>	Inclusive Sustainable Rice Landscapes in Thailand
<b>Country:</b>	Thailand
<b>Lead Agency</b>	UN Environment
<b>GEF Agency(ies):</b>	n.a
<b>Total project cost (GEF</b>	\$5,535,963
<b>Total Cofinancing:</b>	\$82,900,000

**PROJECT DESCRIPTION**

**1. Country Context** (*maximum 500 words*)

*Describe the country's relevant environmental challenges and strategic positioning relative to the systems transformation proposed for the program, including relevant existing policies, commitments, and investment frameworks. How are these aligned with the proposed approach to foster the three FULUR impactful outcomes with global environmental benefits?*

Thailand is a global leader in rice production (20.7 million tons) and exports (11.7 million tons). However, (**key Challenges faced**) increased rice production over the past decades through adoption of new technologies without a sustainable landscape approach has resulted in significant GHGs emissions and declines in biodiversity and ecosystem services (e.g. freshwater provision, soil retention, and flood control functions). Regulatory incentives for chemical inputs on the one side and the lack of farmer incentives and insufficient international value chain actor involvement on the other side, have led to limited adoption of sustainable rice production practices and significant environmental impacts on rice production landscapes, e.g. by farmers encroaching on land to increase income. Destructive agricultural expansion, intensive crop monoculture, and expansion of cash crops particularly in the upper reaches of watersheds have caused deforestation with negative impacts on wildlife habitat and connectivity between various Protected Areas (PA) in the landscape context.

To address these environmental challenges and in parallel ensure food security and enhance farmer livelihoods, the government is implementing the late **King's Sufficiency Economy Philosophy principles** formulating policies on sustainable development (including agriculture, forest, and water management) overseen by the National Committee for Sustainable

Development and chaired by the Prime Minister. The Ministry of Agriculture and Cooperatives, including through its **Rice Department**, has launched the (i) **Mega Farm Program** – a landscape-based multi-agency extension and resource mobilization program to improve the rice value chain; the (ii) **New Agriculture Theory Policy** – enabling synergies among multiple crops, trees, livestock, and aquaculture as a foundation for self-reliance and to improve the quality of life for farmers whilst protecting natural resources and the environment; and the (iii) **Policy for Diversification of Farmer Income & Reduction of Rice Farming in Dry Season** – promoting crop rotation and increasing the supply from other crops to reduce rice oversupply in the dry season. The **12th National Economic and Social Development Plan (NESDP - 2017-2021)** provides a strategic framework for promoting green growth including increasing the country’s forest area to 40% (55% by 2037) in order to maintain a balanced ecosystem and facilitate water management to alleviate water shortages, prevent and mitigate floods, and expand irrigation for crop lands. Recognizing forest loss and degradation as major causes of flooding, the government approved **the Master Plan on Water Resources Management (2018-2037)** which focuses on flood- and water-quality management by conservation and rehabilitation of denuded forest watersheds to prevent erosion. Additionally, the Royal Forest Department supports over 8,000 registered **Community Forests** to provide basic needs, generate income, and strengthen local capacities to manage natural resources. The **Thailand Sustainable Consumption and Production Roadmap** promotes resource efficiency and reduced impact across sectors through enhanced chemical and waste management, improved environmental protection, “green labelling”, and other schemes.

These baseline policies and programs enable the proposed project to build effectively on existing government programs and investments, integrating and reflecting the dependencies on healthy landscapes (e.g. water supply from healthy forested watersheds) as well as off-farm environmental impacts. The project will support transformational change from conventional rice farming to inclusive, sustainable rice farming practices by building policies, capacity, and financing to apply and upscale the SRP Standard that will have far-reaching positive impacts on the rice value chain in Thailand and abroad. It will establish “horizontal” landscape-scale alliances for sustainable management of (rice) production landscapes, including restoration reducing impacts on ecosystems series and biodiversity on- and off-farm. The project will work “vertically” along the value chain with companies on sustainable sourcing of high-quality rice and will promote investments by financial providers to support sustainable rice production and landscape management through strengthening landscape governance structures and feasibility studies to de-risk investments. The integrated, multi-sectoral, and multi-level approach towards the management of rice production landscapes applied throughout the project in Thailand will provide a model that can be replicated at a regional and global level to ensure impactful outcomes and additional global environmental benefits.

## 2. Project Overview and Approach (*maximum 1250 words*)

- a) *Provide a brief description of the geographical target(s), including details of **systemic challenges**, and the specific **environmental threats and associated drivers** that must be addressed;*

The two proposed landscapes are located in country's north and northeast. **Chiang Rai** province in the north is 11,678 km<sup>2</sup> at an elevation 410 – 580 meters a.s.l. While the eastern part of the province is characterized by relatively flat river plains, the northern and western part consist of hilly terrain with intensive and dense drainage systems (several feeding lowland irrigated rice paddies). About 60% of land is under agriculture (19.43% rice) whilst forests cover 38.98%. It has 177,378 ha of rice paddies of which 54,079 ha are irrigated and 123,299 ha rainfed. **Ubon Ratchathani** province in the northeast is 16,113 km<sup>2</sup> at an elevation 90 – 200 m a.s.l. Most of the provincial rivers originate from higher forested areas, mainly the Phu Phan mountain range. The Mun River and Chi River flow from west to east into the Mekong River. Agriculture is dominant (48.46% with rice) whilst forests cover 20.16%. It has 626,803 ha rice paddies of which 45,399 ha are irrigated and 581,404 ha rainfed. Most rice rainfed farms can only grow one rice crop a year. 80% of the agricultural land is used for rice production and only 0.25% of the agricultural land is used for plantation forest. More information on land-use and other key crops for both provinces is in **Annex C** - land use maps.

*Landscape Significance for Biodiversity and Ecosystem services:*

The targeted landscapes constitute a mosaic of primary production, urban, natural and conservation landscape elements – representative for Thailand, being significant with regards their biodiversity and ecosystem services values, as represented by the existence of agro-ecosystems (e.g. rainfed & irrigated rice, agro-forestry and plantations) as well as various Forest Reserves, National Parks, and Wildlife Reserves - established for threatened species, HCVF and other rare habitats, as well as supporting key ecosystem services and linkages such as stable water supply to downstream agriculture systems. Chiang Rai has 5 national parks (Lam Nam Kok, Phu Sang, Mae Puem, Doi Luang, and Khun Chae. It is home to threatened species such as Common Otter (*Lutra lutra*), endangered Assamese macaque (*Macaca assamensis*), endangered Big-headed Turtle (*Platysternon megacephalum*), etc. Ubon Ratchathani has 3 national parks (Kaeng Tana, Pha Taem, and Phu Chong – Na Yoi), 2 wildlife reserves (Yot Dom and Bun Thrik Yot Mon). It is home to threatened species like the Siamese or Fresh-water crocodile (*Crocodylus siamensis*), the critically endangered Tiger (*Panthera tigris*), endangered Asian elephant (*Elephas maximus*), etc. Both landscapes are part of regional Tiger Conservation Landscapes.

*Land-use Trends and Threats to Forests/Watersheds and Biodiversity:*

Low levels of technology and suboptimal siting of farms on land with low soil organic matter (SOM), further aggravated by soil erosion and drought during the dry seasons, have forced farmers of unproductive rice and agro-forest systems to encroach onto (protected) forests for

new land, to overharvesting of NTFP and having other impacts to HCVF, ecosystem services and biodiversity. Additionally, expansion of cash crops, including cassava (see below) are frequently neighboring or even encroaching on protected forests and protected areas mentioned above (see **Annex C**).

Additionally, across the north and northeast of Thailand, land degradation – in the form of soil erosion and loss of forests – has been a negative result of land conversion to rice production. Farmers in Ubon Ratchathani and Chiang Rai have also shifted to other crops, in particular longan, coffee, rubber, cassava, maize, and sugarcane which has resulted in significant forest loss in the two landscapes, thereby proving that unproductive cropping systems as well as the expansion of agriculture to alternative crops has had a direct impact on forests in these landscapes, including the HCVF and protected areas of this region. The Ministry of Natural Resources and Environment estimates that a total of 800,000 ha watersheds in northern Thailand has been affected/degraded at various levels due to expansion of cash crops (period 2008 – 2014).

Global Forest Watch data from 2001 to 2017 for Chiang Rai and Ubon Ratchathani indicate a forest loss of 26.1 and 29.7 kha, equivalent to 5% and 12% decreases and 2.93 and 2.86 Mt of eCO<sub>2</sub> emissions respectively. Encroachment and forest conversion in Doi Nang Lae, Doi Phrabat, Doi Yao, Mae Lao, Mae Kok, Huai Yod Mon, Pa Dong Srisuk, and Bun Tha Rik National Reserve Forests in Chiang Rai province and Ubon Ratchathani province for growing cash crops has reportedly occurred.

This has negatively affected the environment including forest watershed hydrology, biodiversity, and other ecosystem services. Anthropogenic pressures such as land-use conversion have caused dramatic changes to the “intactness” of species’ communities and forests in Chiang Rai and Ubon Ratchathani provinces (UNEP-WCMC and Natural History Museum).

From a gender perspective, in the rural area a major challenge is that women – specifically in the upland rice and agroforestry systems, are more often than men engaged in unpaid work including the day-to-day management of the household, which entails obtaining clean water for household use, finding or procuring energy sources for cooking and heating, obtaining and preparing food as well as foraging for forest products for household use and income generation (ESCAP 2018). The work performed by women are less considered as formal employment than men which leads to the risk of being excluded in trainings and access to finance. For example, female rice farmers in Thailand are statistically under-counted, largely overlooked in the policy arena and consistently underserved by agricultural and rural support services (FAO). However, women’s contributions are crucial for improvement of local and national economic situations.

Another important issue that has negative impacts on biodiversity and ecosystem services is high intensity use of pesticides. In Thailand, farms spend between Baht 7,000 to 22,000 per farm on pesticides whereby usage of active ingredients per ha now exceeds 4 tons. From the recent 30, top-listed insecticides, herbicides, and fungicides, 40% were WHO class I and II hazardous compounds (e.g. insecticides: Dichlorophos [class Ib], Chlorpyrifos, Carbaryl, Carbosulfan, etc. [class II]; and herbicides: Paraquat, Metalaxyl, etc. [class II]). A recent study (2015) found an annual average of about 18,000 cases of human poisoning from agrochemicals in the central plains. A slightly lower, but similar figure was recorded for the northeast which may be also due to different cropping patterns where cassava and sugarcane dominate besides rice. Chemical land degradation reaches extreme levels in both provinces, an indication of over and mis-use of fertilizer besides other potential factors. Residues from pesticides and fertilizers pollute rivers and streams (e.g. organochlorines and organophosphates; groundwater pollution by nitrates). As smaller animals are contaminated, larger predators are poisoned after hunting them. There are 40 species of mammals and over 100 different types of birds on the endangered species list in Thailand. In particular, birds of wetland ecosystems like rice have been shown to be vulnerable to pollution by agrochemicals.

**b) Describe the existing or planned baseline investments, including current institutional framework and *processes for stakeholder engagement and gender integration*;**

The Ministry of Agriculture and Cooperatives is responsible for administering national agricultural policy, water resources, irrigation, promotion, and development of farmers and cooperative systems; and the Rice Department supports the efforts related to sustainable rice systems and practices. The ministry oversees important policies and initiatives that enable and facilitate successful outcomes of integrated management of sustainable rice production landscapes.

The “**Mega Farm**” is the current extension policy of the ministry focused on the area-based an approach with integrated support and interventions from government agencies and the private sector to farmer groups. Under the Mega Farm scheme, a field manager or committee acts as the focal point for managing the farmers’ organization activities along the rice value chain and encourages the members to work together as a group when managing their inputs, cultivation, quality assurance, and market linkages. The scheme contributes to reduced production cost, improved yield, enhanced bargaining power, increased competitive advantage, and enhanced farmer group capacity. An average Mega Rice Farm consists of 100-150 farmers with a planting area of around 480 ha. Some Mega Rice Farms emerged from combining several Community Rice Centers (CRC) that were supported by the Rice Department. In each of them, committee structures have been developed to manage cooperation and knowledge exchange among members. Currently, there are 8 Mega Farms and 177 CRCs in the Ubon Ratchathani province and one Mega Farm and 36 CRCs in Chiang Rai province. The project would build and expand

upon these Mega Farms by integrating the SRP Standard and practices in the schemes generating many social, economic, and environmental co-benefits.

The **Policy for Diversification** of Farmer Income & Reduction of Rice Farming in Dry Season promotes crop rotation and cultivation of other crops to reduce rice oversupply in the dry season. The policy has three main objectives: 1) substituting rice farming in dry season with other crops; 2) increasing the income from other crops; and 3) creating the opportunity for rice farmers to learn to cultivate rice alternatives promoting sustainable farming in the long-run. Alternative crops such as maize, soybean, green bean, peanut, and vegetables require less water and a shorter growing period of less than 120 days. By solving the potential rice oversupply and introducing alternative crops to meet the market demand, this policy helps reduce the risk of rice price fluctuation, recuperating soil, increasing the farmer income from other crops, and reducing pest outbreaks. The project will build on this key baseline initiative to scale up on-farm crop diversification in sub-optimal rice production systems, contributing also to enhanced farm productivity and farmer welfare in upland biodiversity and forest conservation hotspots through agriculture diversification.

The Ministry of Natural Resources and Environment is responsible for environmental protection and restoration, particularly the protection of natural resources, including forests and water resources. The Royal Forest Department is responsible for managing national reserve forests, buffer zone areas and community forests, while Department of National Parks, Wildlife and Plant Conservation is responsible for managing protected areas in land use planning, and the Department of Water Resources is responsible for overseeing management of water resources including rainwater, surface water, groundwater, and seawater in river basins.

The project is aligned with the **Royal Forest Department Strategy** (2016-2021), which focuses on promoting forest conservation, forest restoration, and stakeholder engagement with the main goal towards increasing forest areas from 33.6% to 40% of the total country area in the next 10 years. In addition, the **12th National Economic and Social Development Plan (NESDP 2017-2021)** also provides a strategic framework for promoting green growth in order to maintain a balanced ecosystem and facilitate water management to alleviate water shortages, prevent and mitigate floods, and expand irrigation for crop lands.

In line with the 12th NESDP national-level land use planning is undertaken with the **National Spatial Plan** (2017-2021) provided by the Department of Public Works, and Town and Country Planning (DTCP) within the Ministry of Interior, which is further utilized at the regional-level developing key zoning proposals for industry, urban development, agriculture, environment and watershed protection, and reflected in the provincial spatial plans developed by each province considering a range of environment, economic and social criteria.

Furthermore, the Royal Forest Department supports over 8,000 registered Community Forests to provide basic needs, generate income, and strengthen local capacities to manage natural resources.

Community Forests have long been part of Thailand's rural areas and have become an important mechanism to wider change and empowerment at the local level. The project will build on the efforts made through Community Forests using them as a mechanism to engage local communities in sustainable rice production and landscape management whilst balancing decision-making between the central government and local communities. The project will also specifically engage with local women's groups/farmers groups as well as corporate partners such as the Rabobank Agri-3 Fund to increase the participation of women in these processes (targeted at 40% representation in capacity building programs, access to land and sustainable finance mechanisms such as the Revolving Fund), with the core objective of improving the situation and recognition of women's roles in the production landscapes, sustainable agriculture and related rice value chains. The perspectives of men and women from the local communities will influence the policy level work supported under Comp 1 and Comp 4 (replication).

Recognizing forest loss and degradation as major causes of flooding, the government approved the **Master Plan on Water Resources Management (2018-2037)**. The Plan touches upon the improvement of water security in the farming sector with measures to improve the efficiency of the existing water supply system, flood management and prevention, water quality management, and water resource preservation including the mitigation of water pollution in watersheds as well as the prevention and mitigation of soil erosion in watershed areas covering about 72,000 ha.

- c) *Describe how the integrated approach proposed for the child project responds to and reflects the Program's Theory of Change (see WB ToC & the three FOLUR Objectives) and as such is an appropriate and suitable option for tackling the systemic challenges, and to achieve the desired transformation with multiple global environmental benefits;*

The child project integrates components which collectively respond to the Program's Theory of Change with its main intervention areas: landscape management, sustainable food production, conservation and restoration of natural habitats, and communication of results on a global platform. The **Policy Component** of the child project addresses the need for clarified institutional mandates, policies, and incentives without which landscape management and development of sustainable rice production systems in the target areas would hardly be successful. For instance, it will support better programming alignment of the relevant programs of the Thai government such as the Mega Farm and Flood Retention Development Programs and the Reforestation Program. The **Integrated Landscape Management**

**Component** directly corresponds to the respective intervention area of FOLUR IP but also incorporates interventions regarding reducing drivers of impact to natural habitats for their ecosystem services including biodiversity from unproductive agro-forests and rice systems (included in **Component 3**), as well as the restoration/improved management of HCFV important for sustaining production downstream due to e.g. their watershed functions. Together with the third component, transformational change from conventional to SRP (including diversification of cropping systems) as well as developing capacities & national systems to work in global rice value chains to apply the SRP Standard & assurances, the expected impacts will include not only improvements regarding agricultural sustainability and livelihoods of farmers at landscape level but also significantly reduce negative externalities and impacts to natural ecosystems including biodiversity, forests, water, and soil quality.

Together with **Component 4** (development of a knowledge management platform for use in Thailand and for international communication), the integration of all four project components will contribute to the development of sustainable rice landscapes in the target areas that support deforestation-free and low-emission rice supply chains which are embedded in a production landscape conveying resilience against climate change, thereby allowing for sustainable intensification, improving livelihoods, and economic opportunities of all stakeholders of the rice value chain.

**d)** *Describe the project's incremental reasoning for GEF financing under the program, including the results framework and components.*

Building on the incremental reasoning and alignment with the ToC given in previous section, **Component 1** will establish "horizontal" landscape-scale alliances, make the economic case, and reach policy agreement (e.g. spatial land-use planning, Restoration Roadmap) for upscaling sustainable rice practices, enhancing crop diversification, improving farmers' welfare as well as agro-forestry systems integrating with enhanced management and restoration of forests, land and water, for maintaining environmental integrity and production in these agriculture landscapes – specifically rice. It will support better programming alignment of the Thai government's Flood Retention Program and rice farmers' interests with these above integrated objectives, specifically the hydrological linkages. It will introduce national policy and corporate partnership for Extended Producer Responsibility on the collection and disposal of agro-chemical containers to reduce chemical and plastics pollution.

The project's integrated approach will be strongly rooted throughout **Component 2** by enhancing planning and management of forests, watersheds, and key biodiversity to support stable environment and productive agriculture landscapes in Chiang Rai and Ubon Ratchathani provinces. Provincial governments and national line agencies will conduct multi-stakeholder landscape analyses and spatial planning that integrate rice production, crop diversification, and

improved landscape management/restoration objectives through incremental support on the use of e.g. FAO Land Resources Planning Toolbox and/or the Restoration Opportunities Assessment Methodology (IUCN/WRI). Based on the agreed integrated landscape management (and investment) plan, the project will enable partnership and access to PPP funding mechanisms, a Payment for Water Services scheme, and impact investments linked to sustainable agriculture investments under **Component 3** as well as restore 20,000 ha (5,000 in lowlands & 15,000 in highlands) and improve (HCVF) forest management (25,000 ha) as part of the Mega Farm and Community/Social Forestry Programs for improved water, biodiversity and carbon services' outcomes. Additionally, the project will reduce deforestation and land degradation by disadvantaged farmers by improving agro-forestry system productivity, crop diversification and marketing access to over 25,000 ha of farm land, which will also benefit an additional 20,000 ha of HCVF through reduced drivers of impact to their integrity and ecosystem services.

**Component 3** will enable transformational change from conventional to sustainable rice farming on 90,000 ha by applying the National Policy as well as the Integrated Landscape Management planning process through demonstration, capacity building, and financing Good Agriculture Practices through the SRP Standard. These efforts will have far-reaching positive impacts on the rice value chain in Thailand and abroad. They will enable stabilization of rice production whilst potentially reducing methane emissions by 50% – 10% reduction in pesticides use, 20% reduction in chemical fertilizers use, and 20% reduction in water use. Project support to the Diversification of Farm Income Program will be provided by feasibility analysis, spatial planning, demonstration farms, and capacity building for crop diversification in sub-optimal rice systems as well as facilitating investments over 10,000 ha, e.g. the Rabobank Agri-3 Fund and/or the Bank for Agriculture and Agricultural Cooperatives' Green Loan Program. The project will also conduct a gender analysis of these sectors and plan for gender-inclusive activities that will be monitored throughout the implementation.

The project will facilitate partnership, feasibility assessments, and the de-risking of private and farmers' investments through a range of market-based financial instruments. It will adopt the model used by the Thai Rice NAMA Project, i.e. a Revolving Fund and the issuance of SRP Standard certificates to farmers on the adoption of SRP practices. The certificates can be monetarized through a Book & Claim trading/off-set platform (more details under the co-finance & investment table). In three incremental phases over the project's timeframe, i.e. (i) GEF grant funded, (ii) RF seed capital sourced, and (iii) government/corporate/financial partners' adoption of the project's financial approach innovations, \$51.9 million in new investment is targeted for sustainable rice and landscape management. Additionally, it will facilitate farmer groups, government, corporate, and financial partners to work on Public Private Partnerships to improve credit access and de-risking (e.g. Agri-3 Fund managed by Rabobank in collaboration with UN Environment). The project will work "vertically" along the value chain with companies sustainable sourcing SRP high-quality rice (Ebro/Herba, Olam, Cargill, and national suppliers). Better access to and partnership with national and international sustainable supply chain actors, commodity platforms, and brand-building for sustainable rice will be enabled through outreach, sustainable business fora, and capacity building linked with

the SRP global partnership as well as the Global FOLUR Platform. Additionally, the project will design and test as well as seek corporate partners to introduce incentive mechanisms for farmers to adopt Thai GAP++ / SRP Standard practices e.g. developing the business model for baling straw waste for bioenergy, biochar, or feedstock. Additional incentives to be explored and disseminated could include demonstration of improved profitability from reduced use of agro-chemicals or linkages of SRP rice farms with Payment for Water Services schemes through the Forest Land Investments component.

Under **Component 4**, GEF incremental support will target improved recognition, adoption, and replication at national and regional scale of GAP / SRP practices, Spatial and Land-use Planning, integrated in a landscape approach for wider BD, ES, and other environment benefits. This will involve the development and roll-out of an outreach campaign on SRP best practice, its farming systems, economic & environmental reasoning, and access to knowledge and support services to adopt and replicate the integrated landscape approach. The project will also work lead national agencies such as the Ministry of Interior Affairs – Department for Public Works, and Town and Country Planning, towards replication of the project approach – specifically on spatial planning to additional provinces and rice landscapes. This will be complementary to GEF-supported promotional services and collaboration between countries in the region e.g. through the SRP partnership and FOLUR KM Platform to adopt and replicate similar SRP-integrated landscape approaches. The project will establish agreed collaboration and communications with the Vietnam FOLUR rice landscapes project. Support will be provided to the Thai Rice Department by IRRI to run a national online KM Platform for project M&E as well as to track adoption of SRP-integrated landscape management programming, investments, partners, best practice, and related matters.

Building on demonstrated SRP success, GEF funding together with co-financing – including significant investment funds – will be used to focus greater attention on sustainable farming approaches combined with forest landscape management (especially GAP / SRP practices) as a means to sustain agriculture production landscapes whilst significantly reducing externalities and improving the conservation and landscape integrity for GEB such as conservation of key biodiversity including the Tiger landscape, reduced pollution from agrochemicals, reduced emissions, and increased sequestration as well as reduced land degradation. The GEF alternative will improve on the baseline by specifically enabling integration between the agriculture, forestry, and conservation sectors thereby building practice and replication for sustainable rice and other crops as well as market penetration for sustainable-sourced crops.

### **3. Engagement with the Global / Regional Framework (*maximum 500 words*)**

*Describe how the project will align with the global / regional framework for the program to foster knowledge sharing, learning, and synthesis of experiences. How will the proposed*

*approach scale-up from the local and national level to maximize engagement by all relevant stakeholders and/or*

*actors?*

The project's focus on upscaling adoption of sustainable practices among rice smallholders and other value chain actors in and beyond Thailand for sustainable food systems and productive landscapes will be leveraged through linkages and synergies with the FOLUR IP Global Platform. This will be accomplished through the following approaches:

1. *Targeted Technical Assistance to other countries:* the SRP global network includes over 100 institutional partners and 1,500 direct dialogue partners, thereby providing a foundation for targeted outreach and consensus building to share best practice, tools, and systemic approaches. Through measures to link smallholder producers and value chain actors to the sustainability standards developed under the SRP, the project will also engage a consortium of private sector commodity buyers and traders, NGOs, international development organizations, and governments working to promote more sustainable rice products that can be integrated into other FOLUR commodity projects incorporating the SRP Standard in China, Indonesia, and Vietnam as well as countries outside of the FOLUR IP. The respective networks of SRP Consortium members will be mobilized to maximize stakeholder outreach for technical assistance, training, communications, and knowledge-sharing in other rice-producing countries. This will represent a substantive contribution to the effectiveness of the FOLUR IP Global Platform in translating knowledge to grass-roots action and policy advocacy.
2. *Diversification / integrated landscape management:* the project will compile lessons learned through the project's experience at policy and grass roots levels in implementing integrated landscape management in diverse rice production landscapes. These lessons and success stories will be made available and shared in the form of practical guidance for practitioners and policymakers via the Global IP Knowledge-to-Action platform. This knowledge base, supported by project M&E data, will provide a robust evidence base to support and inform targeted technical assistance, policy advocacy and strategic knowledge management, and communications.
3. *Engagement with key Global Policy Drivers:* the project's policy advocacy will be delivered through close linkages with policy influencers and decision-makers at the national and regional levels as well as alignment with key policies and programs. These include the **UNFCCC Thailand Climate Change Master Plan, ASEAN and its Guidelines on the Regulation, Use, and Trade of Biological Control Agents** (also through its **National Action Plan**) as well as the **ASEAN Guidelines on Soil and Nutrient Management**, the **New York Declaration of Forests** and the **Bonn Challenge, the Mekong River Commission**, and the **ASEAN Agreement on Cooperation for Sustainable Development of the Mekong River Basin** which commits to improving utilization, conservation, and management of sub-regional water resources. Specifically, the project is fully aligned with the Thailand UNCCD LDN targets (MoAC, 2017, Land Degradation Neutrality (LDN) Targets report) related to:

- a. Target 1: Increase the proportion of national forest cover through reforestation and rehabilitation degraded forest including headwater and mangrove forests by participation of local community (through Comp 2 on landscape management).
  - b. Target 2: Restore and rehabilitate degraded land to be productive land, emphasized on sustainable agriculture (through Comp 3 sustainable rice); and
  - c. Target 3: Reduce soil carbon loss and increase soil carbon sequestration by soil and water conservation and promote awareness raising and community participation in land management (through Comp 2 and 3).
4. *National and regional platforms to drive scale*: knowledge gained, and approaches validated through the intervention will be scaled by establishing and mobilizing multi-stakeholder partnerships at country level, using the Thailand National SRP Chapter as a model. Such national-level initiatives will be crucial in serving as national focal points for disseminating best-practice knowledge from the Global Knowledge Platform so as to mobilize national-level resources to drive local collaborative initiatives, to provide training, to manage implementation of the SRP Standard at national level, and to establish the national-level commitment and 'ownership' necessary for meaningful engagement, long-term sustainability, and impact.
5. *Value chain linkages*: supply-side interventions to drive best practice adoption will be complemented by parallel demand-side efforts targeting domestic, regional, and global supply chains. With emerging interest among downstream actors in sustainable rice procurement to mitigate supply chain risks and to satisfy shifts in consumer expectations, the project will leverage its links with global food agribusinesses, millers, traders, exporters, retailers, and producer organizations to establish a clearinghouse function that can match supply and demand. The use of innovative electronic rice trading platforms will be explored to facilitate smallholder market access for smaller trade volumes of rice verified under the SRP Assurance Scheme.

## Annex C – Provincial Landscapes Maps

### Annex C – Spatial land use planning and Provincial Landscapes Maps

In Thailand rather than a single agency responsible for land use planning around 20 Government agencies possess mandates related to land management and spatial planning. Additionally, there are combined top-down and bottom-up approaches present, raising the problem of institutional fragmentation facilitated by the lack of coordination among agencies on different levels.

The overarching strategy is represented by **the National Economic and Social Development Plan**, which is further considered in **the National Spatial Plan** provided by Department of Town and Country Planning (DTCP) within the Ministry of Interior (Mol). Going down to the regional level, key proposals concerning industrial and urban development, agriculture, environment and watershed protection are highlighted by the DTCP. The Provinces are required develop their own spatial plans based on the guidance from the national and regional level. This participatory process includes inputs from a broad range of stakeholders, often leading to overweighing of economic development activities over social or environmental considerations. Consequently, there is a high need of incorporating natural values and natural capital accounting into the land-use and spatial planning on all levels.

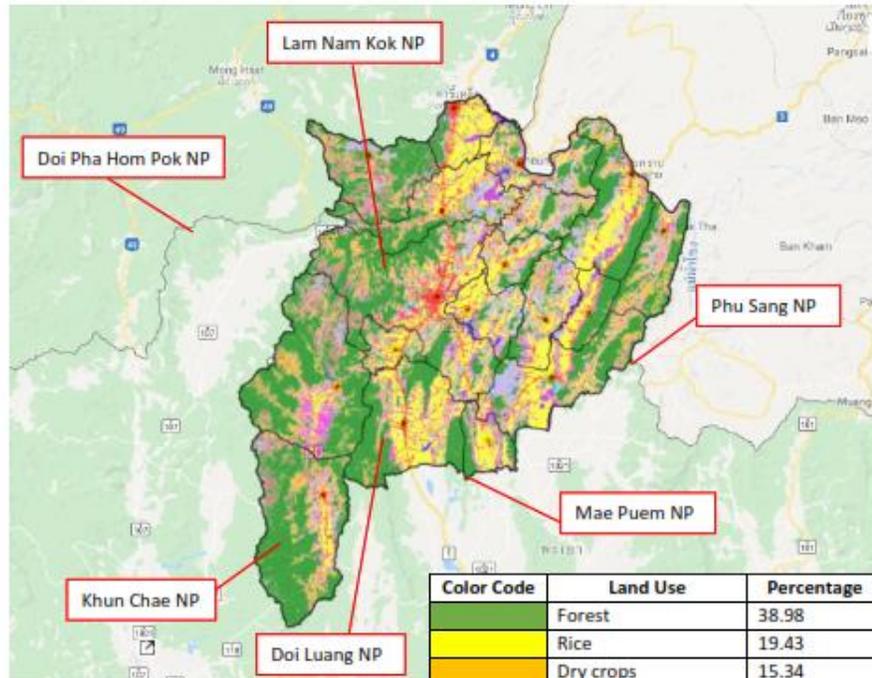
Another aspect leading to the neglect of biodiversity and environmental protection in land use planning so far is the lack of legal and administrative authority of the DPT to convince or force other agencies to follow suit. In some cases, Comprehensive Plans and Zoning Regulations provided by the DPT were disregarded in the land use plans and implementations of other development agencies with different strategic priorities, eg. the Department of Rural Roads. Adding to these complications, there have been cases of inter-agency competition for budget in land management and land use planning.

One of the agencies involved in land use planning is Ministry of Natural Resources and Environment (MONRE). It has established 16 Regional Environmental Offices in four spatial administrative divisions based on Thailand's four hydrological regions reflecting the countries division on landscape level, based on 24 large catchment basins that sustain various flora, fauna and ecosystem functions. In order to mainstream various environmental aspects like biodiversity conservation, watershed management, sustainable landscapes and land use planning, each REO brings together and coordinates important stakeholders, e.g. Royal Department of Forestry, and the Department of National Parks, Wildlife and Plant Conservation under the **Five-Year Regional Environmental Management Plan** of MONRE.

Moreover, on provincial level the authorities are urged to lay stronger emphasis on the integration of environmental protection and sustainable development in their land use planning by the **Decentralization Act**.

However, the lack of knowledge about ecosystem services, natural capital and landscape approaches remains striking throughout all levels of spatial and land use planning in Thailand, and results in unsustainable management practices so far, especially in the context of agricultural practices and expansion.

### Land Use in Chiang Rai

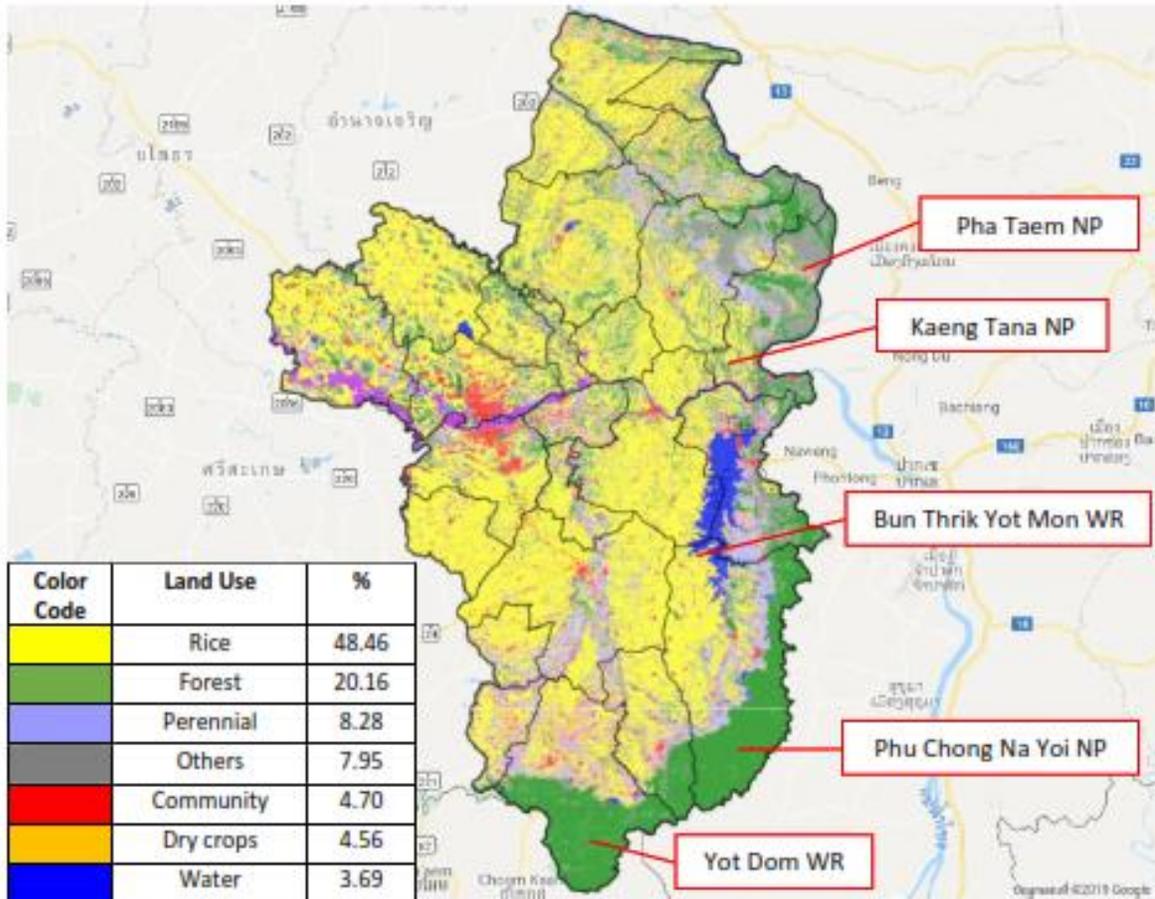


Chiang Rai has the total area about 1,158,419 ha. Chiang Rai has 27 forest parks, 1 arboretum, 30 national reserved forests, 6 surrounding national parks (Doi Luang, Lam Nam Kok, Mae Puem, Phu Sang, Khun Chae, and Doi Pha Hom Pok).

Color Code	Land Use	Percentage
Green	Forest	38.98
Yellow	Rice	19.43
Orange	Dry crops	15.34
Blue	Perennial	7.35
Red	Community	5.36
Pink	Fruit	4.94
Brown	Swidden Farming	3.71
Grey	Others	1.72
Dark Blue	Water	1.46
Purple	Lowland	0.98
Cyan	Aquaculture	0.27
Light Blue	Livestock and grassland	0.25
Olive Green	horticulture	0.13
Gold	Integrated farming	0.01
Light Green	Aquatic plant	0.00

Source: Ministry of Agriculture and Cooperatives 2017. Agri-Map Online. Available at <http://agri-map-online.moac.go.th/login>

### Land Use in Ubon Ratchathani



Color Code	Land Use	%
Yellow	Rice	48.46
Green	Forest	20.16
Purple	Perennial	8.28
Grey	Others	7.95
Red	Community	4.70
Orange	Dry crops	4.56
Blue	Water	3.69
Pink	Lowland	1.19
Magenta	Fruit	0.70
Cyan	Livestock and grassland	0.10
Brown	Integrated farming	0.10
Olive	horticulture	0.05
Light Blue	Aquaculture	0.01
Light Green	Aquatic plant	0.00

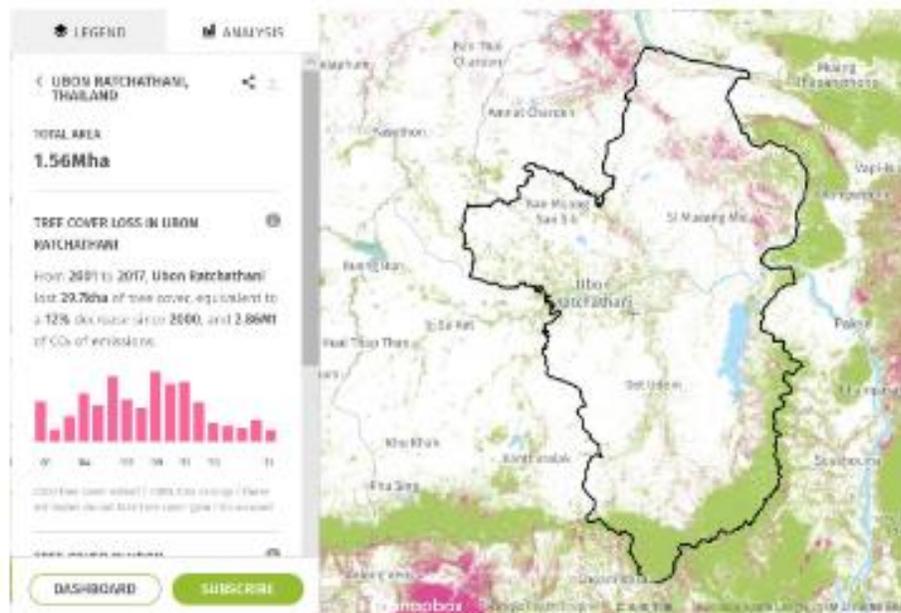
Ubon Ratchathani has the total area about 1,547,335 ha. Ubon Ratchathani has 46 national reserved forests, 3 national parks (Kaeng Tana, Pha Taem and Phu Chong – Na Yoi), and 2 wildlife reserves (Yot Dom and Bun Thrik Yot Mon).

Source: Ministry of Agriculture and Cooperatives 2017. Agri-Map Online. Available at <http://agri-map-online.moac.go.th/login>

### Tree Cover Loss in Chiang Rai



### Tree Cover Loss in Ubon Ratchathani



Based on the data from Global Forest Watch, from 2001 to 2017, Chiang Rai and Ubon Ratchathani lost 26.1 and 29.7 kha of tree cover, equivalent to a 4.8% and 12% decrease since 2000, and 2.93 Mt and 2.86 Mt of CO<sub>2</sub> emissions, respectively.

Source: Global Forest Watch. "Tree Cover Loss in [Chiang Rai]". Accessed on [22<sup>nd</sup> February 2019] from [www.globalforestwatch.org](http://www.globalforestwatch.org).

**GEF-7 CHILD PROJECT CONCEPT****CHILD PROJECT TYPE: Full-sized Child Project****PROGRAM: IP FOLU**

<b>Child Project Title:</b>	Promoting sustainable livestock management and ecosystem conservation in Northern Ukraine
<b>Country:</b>	Ukraine
<b>Lead Agency</b>	UNDP
<b>GEF Agency(ies):</b>	UNDP
<b>Total project cost (GEF Grant):</b>	\$6,756,000
<b>Total Cofinancing:</b>	\$43,730,500

**PROJECT DESCRIPTION****Country Context (*maximum 500 words*)**

Describe the country's relevant environmental challenges and strategic positioning relative to the systems transformation proposed for the program, including relevant existing policies, commitments, and investment frameworks. How are these aligned with the proposed approach to foster impactful outcomes with global environmental benefits?

**Ukraine's livestock sector:** Ukraine is among the world's 20 leading livestock breeding countries. Livestock industry includes both meat and milk products. In 2016 the country had over 3.9 mln heads of large cattle. Domestic beef markets contain 95% of Ukrainian products. In addition to domestic chains, much of Ukrainian beef is exported: In the first 9 months of 2017 alone, Ukraine exported 22,000 tons of beef products to neighboring countries, China, Europe and Middle East. Since 1994, however, the livestock industry started to experience a decline meat production and a parallel increase of milk production. Meat products started to be treated increasingly as "niche" markets (both for domestic use and export), while milk production became mainstream within the livestock agriculture. The profitability of the livestock production was between 20 and 120% in 1990-1994; fell dramatically thereafter as a result of land reform, and started to gain just recently: in 2016 it was just above 5%.

**Community/small-holder importance:** Over 67% of the primary production (cattle ownership) is with small-holders: this trend is unique to Ukraine; it is largely the result of land reform (please see the discussion of systemic challenges for further clarity); and it is a contrast to countries such as Australia, US, or Brazil where most of the primary production is owned by relatively large agricultural enterprises. By working in Ukraine's, therefore, the IP can demonstrate, better than anywhere else, approaches that best fit situations where food production is primarily concentrated among small-holders.

**Livestock in the Northern Ukraine Landscape (NUL):** Geographically, livestock production is evenly distributed across the country. The 7 administrative districts in the Northern Ukraine Landscape stand out due to higher-than-other-regions' contribution to livestock agriculture on the one hand, as well as due to its environmental problems and high

potential for expanding sustainable livestock production through environmentally sustainable models, such as paludiculture. In particular the peat soils on the border with Belarus were once drained during the Soviet times, in a believe that dry peat agriculture would be more productive than wet soil agriculture. By 1980s, the sharp drop in soil productivity, fires and destruction of vegetation and loss of habitat on peat soils urged the transformation away from drainage to sustainable food systems, and primarily paludiculture, of which sustainable livestock management on wet soils seems most appropriate in the Ukrainian context. The project aims at changing towards sustainable livestock management models in NUL, which is an important landscape from human development perspective, since over 60% of population in the region are engaged in agriculture.

Paludiculture - sustainable management of peatlands through wet agriculture (wet soil cattle breeding and perennial feed crops), which combines the reduction of greenhouse gas emissions from drained peatlands through rewetting with continued land use and biomass production under wet conditions. See more: Wichtmann, W., Schröder, C. & Joosten, H. (eds.) (2016): Paludiculture - productive use of wet peatlands - Climate protection - biodiversity - regional economic benefits. 272 p. [ISBN 978-3-510-65283-9](https://doi.org/10.1007/978-3-510-65283-9)

### **Governance, value chain perspective, relevant country commitments and enabling policies:**

100% of agricultural production is private. As mentioned above, over 67% of cattle is owned by small-holders (with land parcels up to 10 hectares); in addition, there are 355 larger enterprises (as of 2016) who own over 1,000 heads of large cattle. These larger enterprises are holding companies few of which have major specialization in livestock alone, rather they cover a wide range of agricultural and food niches (including crop production) and value chain elements, including production, processing, whole-sale, export transactions, and sometimes own retail outlets. The export of Ukrainian livestock products by larger holding companies has been growing since 2014. Since then Ukraine has obtained new permissions to export its livestock products to Georgia, Egypt, and is negotiating exports to Mongolia, Tajikistan, Turkmenistan, and Serbia. Many of these holdings are owned or co-owned by foreign investors. Larger companies (e.g. KSG Agro, Svarog Vest Group, Mironovsky chleboprodukt) have been since 2014 investing substantial own resources in modernization and innovative solutions, aiming to increase profitability and overall production volumes.

Ukraine has various forms of Government support for livestock production, including up to 50% discount on procurement of cattle; discount on credit at various steps of the value chains, e.g. discounts for procurement of cattle; equipment, machinery and buildings for cattle management; meat and milk production and processing; and importantly – for creation of local cooperatives that focus on production, processing and sale of sustainable livestock products (*please refer further to the discussion under Systemic Challenges*).

Ukraine is committed to support sustainable livestock production in NUL through (1) diversification of production practices (from current ineffective arable farming to pastures and perennial crops) and value chains towards those that fit with the carrying capacity of ecosystems, with primary focus on sustainable cattle management for meat and milk production, (2) restoration of degraded ecosystems to enable effective paludiculture, and (3) barring the encroachment of degradation of economic landscapes onto intact ecosystem. Food security, development of agricultural value chains and rural areas on a sustainable basis are the key priorities of the Integrated Agricultural and Rural Development Strategy of Ukraine. Transformation of agriculture, restoration and conservation of ecosystems in NUL is stipulated in the National Action Plan on Land Degradation, National Biodiversity Conservation Action Plan and Action Plan on Climate Change.

Ukraine's legislation and policies forming the basis of the enabling environment for this project:

- prohibit drainage of soils with peat layer depth over 1 m; These are the types of soils that are primarily found in NUL.
- allow for lower tax on ecosystems restored for uses other than forest-planting or arable farming;
- allow for community-based forms of protection which integrate biodiversity with sustainable agricultural land management.

As a party to UNCCD, UNCBD and UNFCCC (peatlands being relevant to all three conventions), Ukraine is up to date with implementation of Aichi targets, Paris agreements and LD goals. It is part of the global UNCCD LDN Target Setting process. At its recent May 2018 sitting of the National Coordination Council to Combat Land Degradation and

Desertification, Ukraine committed to "stabilization of soil organic matter (humus) as the main target to achieve LDN in Ukraine by 2030". As of late 2018, the Government has been working with academia and local stakeholders on a 2 supplementary LDN targets, one of which will focus specifically on rehabilitation and sustainable food systems in the NUL landscape. While the platforms listed in Table 6 of the GEF Programming Directions mostly deal with deforestation commodities relevant to tropical countries, Ukraine would be eager to enter any international platform or partnership relevant to conservation, and restoration of peatlands and promoting sustainable food value chains from sustainable peatland management.

## Project Overview and Approach (*maximum 1250 words*)<sup>54</sup>

### 2.a. Provide a brief description of the geographical target(s), including details of systemic challenges, and the specific environmental threats and associated drivers that must be addressed

#### Overview of the target landscape



The Northern Ukrainian Landscape (blue in Fig.1), is among key centers of livestock production in Ukraine. At the same time, the peat soil that is widely widespread here, is one of the main stores or LULUCF emitters of green-house gases (GHGs): 1 ha of a natural peat soil stores over 50 tCO<sub>2</sub>; while 1 ha of a degraded peatland emits 2.6 tCO<sub>2</sub>eq/y. About 1 mln families depend on the landscape for livelihoods. Approximately, 1 mln of remaining natural peatlands and forest steppe habitat are home to numerous IUCN-threatened species whose survival depends on sustainability of economic activities in the

production landscapes (Greater Spotted Eagle, Corncrake, Great Snipe, Aquatic Warbler, etc).

The total area of the targeted landscape is over 4 mln ha; the productive lands are divided among over 1 mln land-owners, who are primarily small-holders. Small-holders are concentrated mainly on peat soils, while larger agricultural enterprises work mostly on soils under the forest-steppe belt (southern part of NUL). An average land-owner has a parcel of app. 3 ha. Over 75% of the final users do not do activities on land themselves, but transferred their lands to bigger agricultural cooperatives and enterprises. The majority of these bigger enterprises are state-owned; although private and cooperative land-use enterprises have been emerging recently.

#### *FOLUR IP suitability criteria as applied to the targeted landscape*

Evidence of environmental threat from unsustainable agriculture/livestock rearing	The project focuses on Volyn, Zhytomir, Rivno, Kiev, Vinnitsa, Chmelnytsky and Chernigiv regions, which are among the key livestock production areas in Ukraine. In total, this is over 4 mln hectares. These include agricultural peatlands, of these, 3.29 mln ha are at various stages of degradation. Degradation takes of the form of gradual depletion of the organic soil layer, deep drop of the ground-water table, loss of soil through wind erosion and fires, encroachment on neighboring high value conservation ecosystems. The cause of degradation stems from unsustainable agriculture in the past. These lands were once drained through construction of networks of canals and ditches and rectification of small rivers, back in 1950-1980, during the Soviet times, when it was believed that removing the excess moisture from peatland would turn these lands into most productive. Productivity of these lands indeed was high initially, but by 1980, dropped dramatically: the rectified rivers and artificial canals and ditches dramatically raised the velocity of water release from the peatlands, and dry peat,
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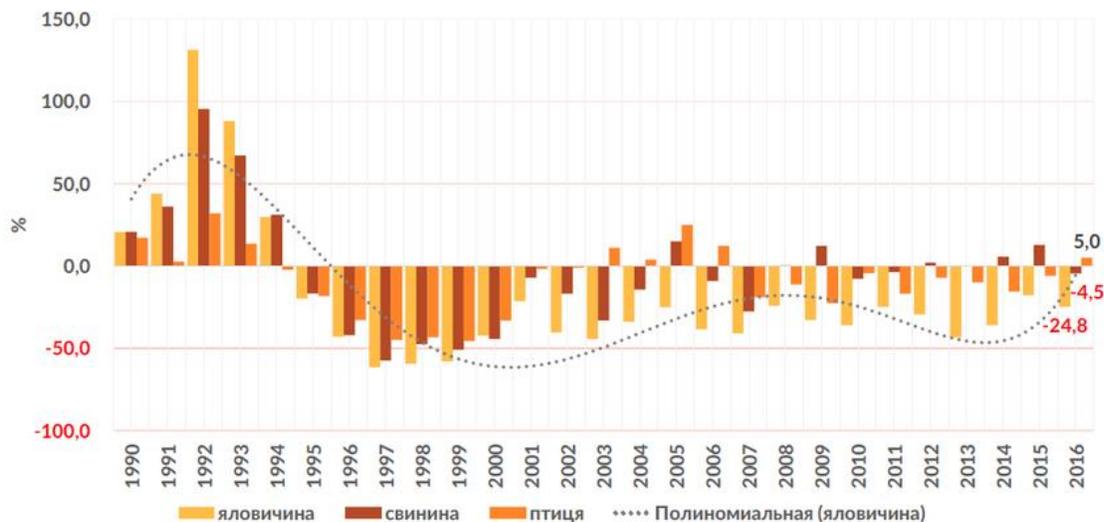
<sup>54</sup> Additional text has been provided (in excess of the word limit) to better clarify issues raised during the screening of the Expression of Interest (See Annex B).

	<p>when exposed to air, mineralizes and burns, and the productivity falls accordingly. Forest steppe ecosystems (located to the south of the peatland soil belt) are suffering from over exploitation and fires.</p>
<p>Potential for applying a comprehensive land-use approach</p>	<p>As discussed in the systemic challenges, the integrated land-use planning is a must for successful demonstration of sustainable livestock especially for peat soils due to inter-dependencies between water levels, soil qualities, potential agricultural uses and impact on ecosystem services. Better than any other region in the country, the NUL landscape lends itself to demonstrate high potential for applying a comprehensive approach to land use planning and management.</p> <p><i>Further details on the Ukrainian specific land use planning context are discussed in Systemic Challenges and the project's potential to address them are discussed in Section 2.c.</i></p>
<p>Potential for improved farming/grazing practices</p>	<p>According to Professor Soccow: "Paludiculture enables to maintain the peatland carbon stock, whilst at the same time using the land. Paludiculture is about establishing productive, possibly peat accumulating mire-typical plant communities on hitherto deeply drained agriculturally used peatland sites. This environmentally compatible, sustainable land use is urgently demanded as the only future-oriented way for our civilization".</p> <p>The targeted landscape, due to wide proliferation of peat soils, has the best prerequisites to demonstrate the efficacy of wet meadows/pastures, hay-making fields, and other forms of paludiculture. It is the right time, as many conventional agricultural practices (e.g. drainage and subsequent reliance on monoculture) prove both economically and environmentally unsustainable.</p> <p>Improving livestock management standards (grazing regimes, pasture rotation, feeding crop management) within the forest steppe belt in NUL will allow to achieve economy of scale, since here a lot of large-scale livestock companies are present.</p> <p>Project areas and activities have been selected to demonstrate maximum efficacy of sustainable livestock management that can help boost income of farmers on the one hand, while removing the environmental externalities on the other.</p>
<p>Willingness to work across national borders for supply chain needs and other market driven demands</p>	<p>The project focuses on small-holders as key beneficiaries at peat soils and at the same time involves larger agricultural holding companies (working primarily in the forest steppe areas) engaged in livestock export from Ukraine along the supply chains. The proponents are willing to be part of the Green Commodities Platform of UNDP and will eagerly cooperate with the IP FOLUR central coordination unit during the preparation and implementation of the program.</p>

**Systemic challenge 1: Decision making on sustainable agricultural use of land in target landscape requires better understanding of ecology and effective cross-sector planning at national level**

The profitability of livestock production in Ukraine has been changing dramatically between 1990 and 2018.

# Україна: Рентабельність в с-г підприємствах



Джерело: Держкомстат України

The gap in profitability between 1995 and 2015 is largely the a result of introduction of private ownership in agriculture, which divided the land among millions of small-holders, without proper land aggregation mechanism, followed by abandonment of economic activities on many areas. In the targeted landscape, especially on peat soils, profitability of agriculture remains the lowest due to environmental complexities connected to wet soil management. The key prerequisite for productivity of agriculture in the target landscape (and their value both for economic and nature) is retention of ground water. Retention of water ensure peat soil stability and healthy vegetation that can then be used as wet meadows, for production of feed or energy crops. Water retention can be controlled with flow regulation facilities. Yet, currently many canals within the peatland drainage networks simply lack such facilities; in many other cases, the hydrotechnical facilities are out of order; in still other cases, the operation of the hydrotechnical facilities is not based on proper knowledge on the degreed of degradation of the adjacent land (i.e. they keep the level too low for the area to restore its natural hydrological table). Overall, the average water table in the targeted landscape is -1.78 m (while at has to be at the soil level, on average through the year). It is possible to continue with arable farming or cattle breeding at such dry soils, but only for a short while and it is not going to be “environmentally sustainable”, as it will provokes enormous continued drying out of the soil layer, peat mineralization, and ultimate loss of long-term value for economy.

One of the roots of the problem is that as of 2018, there is no up-to-date picture on the status of economic lands in the target landscape. Due to high proliferation of wet soils, decision making on agricultural uses would require up-to-date knowledge on areal connections/dependencies, owner/user information, productivity, release of GHG, key ecosystem services. The latest land survey in the target landscape dates back 1970-80. DerzhGeoCadastre (land cadaster agency). In December 2017 Water Institute of Ukraine tried to use that data to decide on the water use regime of hydrotechnical facilities within Volyn, Rovno and Zhitomir oblast. The Institute failed to act based on that data, confirming again the need for ground-truthing of the actual land status in NUL.

Importance of up-to-date integrated land survey and proper planning of land-uses is ever more important given that livestock production markets have changed significantly since 1990: In 2017 due to global price fluctuations in the beef market, Ukraine had to turn its been production into the domestic market, and at the same time look for new export destinations (such as Middle East and Central Asia). A drop in the meat production sector was compensated to a certain extent by a rise in the local domestic milk sector. Yet, a change from meat to milk production does requires new approaches in value chains, many of which require cooperation between large holdings and small holders, including for collection of milk from small holders (or their cooperatives), organizing milk processing and storage facilities, partnerships between local farmers and whole/retailers. Knowledge of where (geographically) such opportunities exist on the ground is key for the expansion of paludiculture-based livestock management.

## **Systemic challenge 2: Restoring and managing agricultural lands requires cooperation along value chains, as well as between land-owner/water administration cooperation and modern technologies.**

The primary condition for livestock management on wet soils (such as those found in the targeted landscape) to be environmentally sustainable, drying out of the upper soil layer needs to be stopped/prevented and ground water returned. Currently, the area of degraded agricultural peatlands in Ukraine is rising yearly. Degradation is especially high at those lands which have not been leased out by primary land holders to larger agricultural holdings: if an owner has a land parcel of 1-3 ha, and there is no cooperation with water regulating enterprises or neighboring owners, his/her parcel will either be abandoned (overgrown by invasive grasses and shrubs) or used for arable farming. In either case, without proper soil water management, the top soil will continue to dry up and lose productivity. Those lands leased out to larger enterprises, have better chance of retaining productivity. However, Ukraine does not have modern standards for restoration and sustainable wet soil cattle management. Importantly there are few examples of whole or retail companies that would buy products from local cooperatives and sell them in national markets. Cattle production for meat on wet soils requires special breeds of cattle that are cable of walking in wet conditions: these have since long lost its presence in most of the enterprises. As a result, many lands that have been leased out to enterprises are used by those enterprises without account for an optimal water table, that is mostly for continuation of arable farming with the water table 1 m below ground. As a result, the productivity generally continues to fall on these leased lands as well.

Most land owners and land users make a very vague connection between the need to optimize the water regime and the ultimate long-term productivity of their land. Examples of proper communication between land owners/land users and water engineers in charge of the hydrotechnical facilities for joint planning of agricultural land restoration and use, are sporadic and mostly donor driven. In the absence of successful models of wet soil use and clearly communicated norms/standards for improving productivity of peatlands, most land owners/users decide by themselves what they want to do on their parcel; in most cases these decisions do not result in higher land productivity: they mostly involve continuation of annual crops; sometimes planting crops that are non-typical for this area, such as sunflower, corn, soya; only few enterprises try paludiculture for wet cattle breeding or wet meadow/hay making or energy crop production.

Cooperation with water enterprises is an important aspect in the chain. The land users / land owners who manage peatlands, do not own the canals and ditches of drainage networks. These are owned and managed by the Water Administrations and Water Basin Councils. The Water administrations set up parameters of work of the hydrotechnical facilities often without knowledge on what purpose the land is actually supposed to serve, and what water ground water table must be maintained at what times. And the other way round: many land users do not understand that maintaining ground water level at the optimal level is critical and hence the need to cooperate with water engineers to agree on how the hydrotechnical facilities should operate to ensure that optimal water table.

Sustainable livestock management on restored lands would require cooperation among land users to promote such land use patterns that will not degraded the soil, vegetation or lower the ground water table. It has been mentioned above. After restoration, land uses will need to rely on wet agriculture, i.e. paludiculture for sustainable cattle breeding, seasonal haymaking, pastures, or energy crops. The cooperative form of land use has been piloted in only few cases so far, but needs to become widespread, as this is the only environmentally sustainable option for wet soils. At present the local farmers can produce milk products and market them primarily within their districts. Larger-scale demand for sustainable products from peatlands does not exist. UNDP has discussed with retail and wholesale wider market adoption of sustainable livestock / paludiculture products. Engagement of leading supply chains needs to go hand in hand with expansion of the countries capacities to produce sustainable livestock at wet soils.

In areas within NUL where large-scale enterprises are active (primarily in forest steppe zone), both **undergrazing and overgrazing** can be a problem. There are areas with unique flora which are overgrazed. At the same time, large areas previously under pastures and hay-making are now in decline and many steppe areas are succeeding to shrubs and forests. Improved grazing regimes, proper cattle density, land rotation are needed to be agreed between environmentalists and farmers so that larger livestock enterprises could ensure long-term environmental sustainability of land use.

## **Systemic challenge 3: Loss of biodiversity due to encroachment of degrading productive landscapes**

NUL is highly mosaic: production landscapes in many instances neighbor on natural areas of high conservation value. This is due largely through the hydrological connectivity: many natural areas are surrounded by drainage networks,

which function in the way that significantly lower the ground water table and create threat to wetland birds (e.g. at Pripyat-Stokhid or Perebrody wetlands), some of which are among the largest Ramsar sites in Ukraine, (Perebrody 12,178 ha) and home to Aquatic Warbler and a number of other threatened species. Unabated drainage destroys habitat in Polesky natural reserve (Sizonovka and Olzhin Brod areas). The water table at many wetland protected areas is as low as -1.5 m, causing drying out of pine and alder forest (250 ha of forest lost in 2017 in Perebrody alone). Some of the smaller wetlands are completely disappearing (e.g. Volysok). Restoration of the hydrological regime needs to be undertaken at certain areas to handle the threat of drop of the ground water level, as described above. Proper management of hydrological regime at areas of high conservation value is important also from a cross border perspective (with Belarus), e.g. the Rovno National Park and Perebrody are part of the transboundary Ramsar Site Olmany-Perebrody. Belarus currently is planning activities on its side that may result in hydrological impacts in Ukraine. A transboundary Ramsar Site management plan, based on meticulous hydrological studies and agreements from both sides, is required to avoid biodiversity loss and ensure effective management of this site, which is bordering on large agricultural areas in both countries, acting as buffer, a regulator of hydrology and microclimate.

## **2.b. Describe the existing or planned baseline investments, including current institutional framework and processes for stakeholder engagement and gender integration**

The list below discusses key baseline investment programs, institutional and financial framework behind them, and relevance to the project.

- *State Investment Program On Support for Livestock Sector, 2014 – present.* The program promotes new technologies in the livestock sector, adaptation of technologies from the EU, development of new cattle breeds adapted to local conditions. Further support is available for processing of livestock products, for support of business plans which focus on innovative technologies. The Ministry of Agriculture is in charge of the program. In 2018 the Government spent almost USD 100 mln for soft loans, extension services, and infrastructure support in the livestock sector.
- *State Investment Program on Sustainable Water Management, implemented by Ministry of Environment and Natural Resources, in collaboration with State Water Agency, 2018 – 2025.* The program invests in repair and maintenance of water facilities and improvement of water management systems. At least USD 20 mln is allocated for water systems on drained agricultural soils. Part of this investment can be re-programmed as co-financing for activities under project's Component II. The program can be used to co-finance hydrotechnical infrastructure that might be needed as part of land restoration. While the investment current aims purely at support of drainage facilities, with re-orientation, the investment can serve to restore and maintain optimal hydrological regime at target areas.
- *Regional Program on Land Improvement and Land Conservation in Kiev Region.* Implemented by Kiev Department of Environment, 2018 – 2025. The program supports research and piloting of techniques for raising soil productivity, crop rotation, improved cattle breeding, better application of fertilizer. The budget of the program is around USD 6 mln. Several investment strings from this program, with some reorientation, can co-finance activities under Component II, namely those related to introduction and management of paludiculture.
- *State Investment Program on Nature Conservation, implemented by Ministry of Environment and Natural Resources, 2018 – 2025.* The program supports basic investment and routine upkeep of patrolling services and management units of protected area in the targeted landscape. The baseline support of protected areas in NUL through this program is app. USD 3 mln/y. The program envisages support to hardware and engineering planning for hydrological regime restoration at targeted protected areas, research, and species-focused conservation management. Part of this investment can be re-programmed as co-financing for activities under project's Component III.
- *State Support for Research and Development in the area of Natural Resource Conservation, of the Ministry of Environment, 2018 – 2025.* Around USD 0.3 mln / y is dedicated to science, research and development on wetlands, and improved water management. Some of this research can be used for the design of land restoration projects (Component II), as well for land inventory (Component I), GHG emissions monitoring, as well as for vocational training and awareness raising under Component IV).

- *Regional Targeted Investment Program on Water Management and Nature Conservation in the Dnieper River Basin, till 2021.* Implemented by the Department of Environment and Natural Resources of Kiev Region. The Program has financing for repair of hydrotechnical facilities in the Dnieper river catchment (which is a substantial part of the project's territory), cleaning of rivers and other conservation measures. Total budget of this investment is USD 18 mln for the whole duration. With re-orientation, some of this investment can support restoration and maintenance of optimal hydrological regime at target areas (Component II).

The table below depicts key project stakeholders and engagement mechanisms.

Stakeholder	Role and engagement mechanism
Ministry of Ecology and Natural Resources and its regional departments	Key national agency, head of Project Steering Committee. Ensures coordination with other agencies/ministries/stakeholders. Will be contributing and overseeing preparation of land inventory in the targeted landscape and ILUPS (Component I), GHG system at project sites; matters related to reporting to UNCCD, CBD; ensure investment / co-financing for Component III, and re-alignment of investment programs so that that sufficient funding is available for restoration, and sustainable food protection, during and after project end.
Ministry of Agricultural Policy	Key national partner for the development of sustainable agricultural solutions in the targeted landscapes; key provider of national baseline assistance in agriculture, a connector to large agricultural holding companies. The Ministry will be involved in discussion of target areas, as well as in ensuring replication of project experience at similar territories throughout the country.
State Water Agencies and their local departments	Will be engaged in the development and implementation of the land restoration and paludiculture plans. Key collaborators with farmers on deciding for optimal land use at target sites.
Private sector: farmers, farmer associations, farmer unions	Farmers are direct beneficiaries under Component II. As land-owners/land users, their buy in is key to success of the cooperatives model to demonstrate the efficacy of paludiculture and other forms of improved cattle management. Farmers are key in the dialog with Water Agencies on land restoration and maintenance of water table. Farmers, through their representatives, will be involved directly in consultations on management plans for each site in NUL (under Component I). Farmers are direct participants and beneficiaries of training and awareness raising envisaged under Component III.
Private sector: retail and wholesale companies	METRO, Fozzy and other retail chains have agreed to partner on outputs under Component II, related to marketing and sales of green products from sustainable livestock production.
United territorial communities and councils, village councils	As representatives of farmers and other resource users at project sites they will be engaged in all project components, through consultations.
NGOs and local community organizations.	NGOs are key for advancement of work on conservation of peatlands. They will be consulted for preparation of ILUPS (Component I), as well as in awareness raising and experience sharing (Component IV).
Institute of Water Problems and Drainage and Institute of Soils	Each of these institutions has a mandate for scientific research in their respective area. They are key knowledge-holder and scientific assistants in the development of policies regulations, maps for the ILUPS, green production technologies. Their experts will be used by the project as appropriate.
Universities and vacation training schools	The universities and vacation training schools will update curriculum on agricultural land restoration and paludiculture.

**Gender considerations:** The project will generate **benefits for women** as a target group in a number of significant ways. Most importantly, the economic benefits from enhanced income generation opportunities in cattle breeding will accrue disproportionately to women. Over 60% of farmers involved in cattle management are women, who therefore are most affected by the loss of peatlands. In addition, the project will ensure that women benefit from greater participation in

the restoration works planned at the pilot sites (under Component II). The project aims to ensure that at least 40% of the local people involved in restoration works be women.

In all activities due attention will be paid to gender considerations. The project will conduct trainings for stakeholders on green production, with due consideration of women-specific types of farming activities and role of women creation and maintenance of cooperatives, under Component II. Further, under Component IV, the project intends to conduct several educational, awareness raising and advocacy events, and one of the modules will be dedicated to ensuring gender equity in conservation and sustainable use of peatlands. To promote equal opportunities in employment, UNDP will encourage qualified women applicants for positions under the project as per UNDP rules and regulations.

A detailed gender plan, will be developed at the PPG stage. The plan will specify role of women in all project activities and develop detailed gender-focused indicators.

**2.c. Describe how the integrated approach proposed for the child project responds to and reflects the Program's Theory of Change, and as such is an appropriate and suitable option for tackling the systemic challenges, and to achieve the desired transformation with multiple global environmental benefits**

Ukraine is among the world's top 20 livestock producers. Approximately 3.29 mln ha of drained and improperly used land in the targeted NUL landscape, are the food security platform of nearly 1 mln families. However, the current model of agriculture within the target landscape is environmentally unsustainable. Under Business-as-Usual, these lands lose organic soil carbon and emit 2.6 CO<sub>2</sub>eq/ha/y, lose productivity and economic profitability, undermine food security and encroach on habitat of IUCN threatened species. This is caused by the effects of drainage and inappropriate choice of crops or methods of livestock management. The project's idea is to transform the system, by putting in the center the model of sustainable cattle management, through cooperatives of land users (on peat soils) as well as partnership agreements with larger enterprises (at forest-steppe areas) working together with water engineers to restore land, zone it, subsequently decide and apply best land use or conservation regime. Larger areas under cattle management that have been leased to big agricultural holdings require dialog with the private sector (the holding companies) to resolve the environmental externalities that the current model of livestock management entails. A further important aspect here is support for the demand for sustainable livestock products, through creating a market of sustainable livestock products and engaging private sector through a platform on sustainable agriculture. The integrated approach followed by the project relies on: (1) proper policy, science and institutional context for integrated land use planning (incl. a comprehensive land inventory and science-proven decision-making system); (2) restoration of degraded economically important lands (e.g. returning moisture to dry soil through hydrological engineering or changing cattle density or grazing rotation); (3) transformed land-use, aiming to achieve sustainable production and creating and expanding markets for sustainable livestock products. This will involve setting up land-user cooperatives and partnerships with private holding companies, water-engineers and private entrepreneurs, including domestic market outlets and agricultural exporters (for the niche sustainable beef market), as well as with the domestic and international retail companies (such as Metro and Fozzy Group). The aim is to create profit-making value chains at agricultural lands within the target landscape, without disruption of hydrology, soil productivity and upper vegetation, which could be scalable to other agricultural systems. (4) Restoration and improved management of natural peatlands and forest-steppe ecosystems with globally important biodiversity adjacent to economic areas where there is high risk of encroachment, in order to retain production of ecosystem services such as support to hydrology and microclimate. (5) Enhanced readiness of government to participate in global exchange on sustainable food production.

Due to high degradation caused by conventional drainage-based agriculture, most productive lands in NUL can no longer be used effectively for annual crops; instead, recognized sustainable uses would rely on paludiculture, in particular on wet soil cattle breeding best tailored for Ukrainian soil conditions. The project will help Ukraine adopt these patterns, removing the risk of further loss of habitat and overexploitation of land resources, reducing greenhouse gas emissions, and replacing inefficient practices that impair food security with the sustainable food systems. The project will heavily rely on the conservation and restoration science, the engagement of the private sector and the promotion of the sustainable food production practices. The approach is spanning all stages: land restoration, sustainable production, assistance in processing, marketing and distribution of products, working with domestic supply chains. It aims at a model of sustainable food system potentially replicable at >3 mln ha, ensuring cessation of GHG emissions, retention of soil

productivity and intactness of IUCN species. It is a model which engages communities, agribusiness, and food industry partners, and can be replicated in other parts of Ukraine for creating sustainable agriculture value chains.

The project approach addresses in full the systemic challenges and will trigger cessation of the loss of carbon from drained agricultural lands, enhance soil productivity, create sustainable food production, and prevent encroachment on unique natural habitats. With enabling policies, commitment of partners, and previous experience, the idea has high potential. Value chains of sustainable products from sustainable livestock management will be predominantly domestic but the work with key livestock exporting companies will seek to expand the exports of sustainable beef to Middle East and CIS (under Components II and IV).

The project is aiming to generate multiple benefits for global environment and local development by demonstrating restoration, improved conservation and sustainable management of degraded agricultural lands in the northern part of Ukraine, and strengthening national inventory and land planning framework governing agricultural land management, that has high replication potential. The need for addressing peatland degradation, mentioned in the justification of the GEF7 justification for the Impact Program on Food Security, Land Use, and Restoration Impact Programs, is a key driver of this project. The project will contribute to the GEF's Land Degradation focal area Objective 1 Support on the ground implementation of SLM to achieve LDN. It will restore 19,000 ha of degraded agricultural lands, pave the way for stopping degradation of all peatlands, ensuring integrity (non-deterioration) of soil qualities, vegetation and hydrology ultimately at almost 3 mln ha. It will also reduce pressures on High Conservation Value areas stemming from unsustainable practices by triggering a shift from a sectoral to multi-stakeholder land use planning approach. This, in turn, will help in optimizing soil productivity, and sustaining peatland hydrology and peat-formation processes, thereby contributing to the outcomes of the GEF Land Degradation focal area. The project generates benefits under the biodiversity focal area insofar as it will improve the conservation status of and management effectiveness of at peatlands that have high importance from the point of view of delivering ecosystem services and acting as home of several globally threatened species, which is in line with BD Objective 1. Under the climate change focal area, Objective 2 Demonstrate mitigation options with system impacts, the project will generate benefits by restoring degraded peatlands to their natural condition. Restoration of peatlands and shifts in peatland use practices will result in the reduction of carbon emissions (as mentioned in the indicators). The examples triggered by the project will be embedded in national policies, hence paving the way for turning peatlands from emitters to sinks in the long run, which is in line with systemic thinking of this Objective.

The specific global environmental benefits are reflected in Annex A and will be further elaborated and described at the PPG stage.

#### **2.d. Describe the project's incremental reasoning for GEF financing under the program, including the results framework and components**

Under the Business-As-Usual (BAU), the livestock sector in the targeted landscape might stagnate or experience slow growth, yet the environmental externalities are going to remain unattended. Data for proper decision making about optimized agricultural land use is unlikely to be available: StateGeoCadastre is likely to continue to rely on data from 1980s-1990s for making decision on land use. State support for agriculture is unlikely to be reoriented towards models that promote sustainable livestock management of wet soils. Farmers and larger agricultural enterprises are likely to continue to plow land in NUL for annual crops in areas where it is no longer effective. Restoration of degraded peatlands is not likely to happen at scale (land is likely to continue to lie abandoned) or hydrology of the area will not be restored to achieve maximum long-term soil productivity. Further degradation of forest-steppe ecosystems is expected due to inappropriate cattle densities and use of pastureland. At least 30% of economic lands are likely to encroach on high nature value peatlands leading to their decline and loss of ecosystem services. Expertise for the elaboration of economic and ecological criteria for land use in NUL, will remain sub-optimal. Decisions on land use by land-owners/users are likely to ignore their ecosystem functions within landscapes and will not be connected with value chain companies, nor coordinated with other land users and Water administrations. Sustainable food production in the targeted landscape is unlikely to be achieved in the long run.

Baseline activities of the Water Administrations are likely to continue to invest in improvement of infrastructure of hydro-technical facilities at drained agricultural lands. These activities, however, are likely to remain disconnected from

the knowledge of the adjacent land users, the state of soil in them, economic productivity or presence of high nature value ecosystems nearby. Emergency of sustainable livestock production on wet soils in NUL is likely to remain limited, Rehabilitation and maintenance of drainage networks will continue to be characterized by deep ditch construction, which enhances the draining effect on soil and causes faster carbon mineralization and erosion.

The project scenario aims to transform the current system of planning and managing livestock in NUL. If the degradation of ecosystems could be stopped, they would contribute to ensuring food security by providing pastures and feeding crops for cattle, diversifying agriculture away from annual arable crops. They would also turn from emitters to sinks of GHG and provide stable habitat for endangered species. The long-term solution proposed by this project is an integrated approach to decision-making on ecosystem use that takes into account ecological as well as economic criteria, and considers carbon and biodiversity benefits. This would mean land promotion of hydrological land restoration, and better use of conservation areas as providers of ecosystem services.

Component I is designed to overcome the disintegrated manner of land use planning and associated problems depicted under Systemic challenge I. The component will assist with land inventory, and preparation of NUL integrated land use plan (ILUPs). It will aim to ensure collaboration between various baseline programs and their managing institutions, including elaboration and adoption (where needed) of Government policies to support farmers and agricultural enterprises in wet cattle management or better standards of cattle management in forest-steppe zones, so that the threats to land and associated management responses are considered at the landscape level and are not driven solely by short-term economic needs. This outcome will focus on creating a platform for cross-sectoral dialogue on a landscape approach to sustainable livestock management, developing associated capacities within the different entities responsible for land restoration and management, developing the tools to support ecologically optimal decision-making. The project will facilitate a Cross-sectoral Working Group (WG) that will oversee land inventory and preparation of ILUPs. Specific criteria and methodologies for assessment of state, functions, services, and degree of degradation will be developed, and fed into a comprehensive and up-to-date land data base. On this basis, an action plan for restoration and use of land will be designed in line with sustainable livestock principles and standards (e.g. the paludiculture standard for peat soils), consulted with farmers, communities, agricultural enterprises, and submitted for adoption by the Government. The ILUPs will stipulate ecologically optimal management regimes for productive lands in NUL; define roles of land owners and agricultural enterprises, water administrations, process of regulating hydrology, agricultural production patterns, and protection of high conservation value ecosystems. This will pave the way for sustainable food production and achieving LDN in the target landscape at almost 3 mln ha in the long-term perspective. The methodological basis will be designed for LDN activities on soils under livestock management and the UNCCD National Action Plan will be updated with actions and methodologies to achieve LDN on such soils. This component will deliver a model of small-holder engagement for peat soil restoration and management for livestock, that can be then shared across the IP FOLUR community.

Component II will work on productive agricultural areas in NUL, to demonstrate viable restoration techniques and better livestock management standards. For areas in need of restoration (tentatively about 17,000 ha of degraded agricultural lands, mostly among the small-holders on peat soils), the ground-water table will be restored. Restoration may presuppose construction of local dikes to close the drainage ditches, construction or repair of sluices for regulation of ground water table. Engineering projects will be designed for each land parcel, reviewed and implemented. Water table will aim to fluctuate between -20 and +10 cm relative to soil, on average through the year. The optimal water regime will be set in such a way as to allow the most profitable paludiculture / other economic activity at the given peatland, with maximum care for bird nesting timing, preservation of organic layer and upper vegetation. Land user cooperatives will be then set up to bring together farmers and water managing authorities at each given peatland to trigger actual introduction of sustainable livestock, or other forms of paludiculture activities. For larger agricultural areas (those especially in the forest steppe zone) which are managed by large holdings partnership agreements will be reached to implement sustainable livestock solutions. The value chains of focus are dairy and meat (beef) and energy crops. Transformation to sustainable livestock management at wet soils is complex and requires, in the context of Ukraine: (1) formation of land owner/user cooperatives, or partnership agreement with larger agricultural enterprise in case large parcel of land has been leased out to him/her for management; (2) partnership between land users/agricultural enterprises and water engineers, (3) actual land restoration works, (4) decision making on type of livestock management (meat, dairy, feed crops, energy crops), its actual in-situ introduction (seeking co-financing / partnership of Government agricultural support programs), extension service and production support (e.g. collection and processing points; energy

crop harvesters, transportation, Business Development Services), (5) ecolabeling, marketing and sale support (domestic or expansion of export chains). GEF funding will incrementally “fill the gaps” at different stages, but mostly covering the missing know-how. Partnerships with METRO, Fozzy, and other whole-sale and retail companies will be sought to help with marketing and sale of sustainable livestock products.

Component III concentrates on prevention of encroachment on High Conservation Value ecosystems within this highly mosaic landscape, aiming to retain ecosystem services they provide (e.g. hydrological and microclimate regulation, support to soil formation). It will identify and create a network of such High Conservation Value areas, that may include protected areas but also areas of high value that currently have no IUCN status. The component will invest in restoration of ecosystems. The project’s increment for this component lies in barring the encroachment of degradation from economic landscape onto areas important for ecosystems services and maintaining biodiversity. This component will also facilitate cross-border dialog between Ukraine and Belarus on the transboundary Ramsar site Olmany-Perebrody, where activities have to be coordinated in order to prevent drop of the ground water table at the Ukrainian side. Support rendered under Component III will help maintain the overall resilience of the NUL landscape, and will improve the status of ecosystems which are home to several IUCN threatened species (mentioned previously in the text).

Component IV will use GEF funding to enhance the awareness of private sector, farmers, water engineers, conservationists, government and the general public of the benefits of paludiculture and other sustainable livestock management approaches. It will investment in knowledge building and dissemination through professional vocational training and academic curricula, as well as through targeted learning and knowledge events. For the transformation change to happen, it is critical to deliver appropriate information about sustainable livestock production at the national level. In addition, this component will facilitate an up-to-date system for monitoring and verifying GHG emissions from LULUCF sector, since it is an important obligation under UNFCCC.

With respect to upscaling, the project is designed to ensure that methods of restoration and management of degraded land (Component II) are embedded in national policies and capacities (Component I), making sure that the restored land has a clear manager with a clear management regime and budget, after project close. The upscaling of project results at the national level will be enabled through the mobilized investment and adjusted baseline investment programs of the Government, as part of the commitment and co-financing of government agencies implementing these programs. Hydrological restoration models (promoted in Component II) will be embedded in the activities of the Water Administrations and applied to all other lands in similar situations. The immediate replication potential for land restoration in NUL alone is assessed to be 40,000 ha/year. The cooperative land use models are going to be replicated through involvement of NGOs and through community-to-community experience sharing. The project will conduct workshops across areas with highest replication potential to demonstrate the experience and help other economic actors and land users to implement the same practices in their districts.

With respect to innovativeness: It is the first time that practical steps towards implementation of LDN in Ukraine are going to be undertaken. The innovativeness here rests in modeling a cooperation mechanism between water administrations and land users, as wet soils cannot be managed sustainably without it. This collaboration is important in all three pillars of productive land management: (1) restoration, (2) conservation, and (3) sustainable use. Ukraine’s land tenure model is different to that in Poland or Belarus, therefore it requires careful planning, which this project is going to undertake to put in place collaboration and hand-hold it through all three stages of land management, as outlined. In the biodiversity sector, traditional PA projects have focused on passive protection namely, the designation of PAs and new legislation. This project takes the strategy of restoration, aiming to assist in prevention of encroachment and retention of ecosystem services that are unique to high conservation wetland ecosystems. The activities of the project are expected to produce not only biodiversity benefits but indisputable benefits for soil and ground water stability, riverine ecosystems, and climate (through avoiding soil degradation and enhancing their sequestration potential). The multifocal nature of this project, therefore, is believed to be innovative in itself. In GHG measurements, the project can deliver important results that could feed into IPCC work on the Wetlands Supplement to the LULUCF methodology. There is lack of data on temperate peatlands, and this gap could be filled by activities that this project will support in Component IV.

## **Engagement with the Global / Regional Framework** (*maximum 500 words*)

Describe how the project will align with the global / regional framework for the program to foster knowledge sharing, learning, and synthesis of experiences. How will the proposed approach scale-up from the local and national level to maximize engagement by all relevant stakeholders and/or actors?

- The project will engage through the FOLUR global platform and the UNDP Green Commodities Program with countries and platforms outside of the country as a means to scale results and impact the broader food system.
- The project will become one of the members of the Green Commodities Community administered by UNDP. The project will support the active engagement in the Community of the project team, government counterparts as well as key project stakeholders so they can connect with the other FOLUR participating countries to learn and share relevant lessons.
- The project will coordinate with the global coordination unit housed in the FOLUR global platform. This coordination will be through UNDPs Green Commodities Program as well as FOLUR specific collaboration mechanisms established by the global platform.
- The project will connect with similar country projects within FOLUR based on similar commodities and approaches to share resources for combined and collective knowledge management products e.g. a collective guidance on sustainable livestock management approaches. These products can then contribute to FOLUR wide knowledge products.
- The project will connect to global level commodity and food supply chain initiatives and networks, primarily through UNDPs Green Commodities Programme and Good Growth Partnership, as well as through other means offered by FOLUR global platform. These connections will facilitate the project linking to global buyers interested in sourcing from jurisdictions advancing towards having deforestation free commodity production and also to learn latest best practice and policy of the global markets.
- The project will support team members, government counterparts to participate in and speak at global conferences of relevance and represent FOLUR at these events. The project will ensure that the national commodity platform supported within the project is connected to the global commodity initiatives (RSPO, WCF, ICO, GRSB etc) and serves as a principal forum for convening the global and national supply chain stakeholders in the country.

Vietnam

## GEF-7 CHILD PROJECT CONCEPT

CHILD PROJECT TYPE: FSP

PROGRAM: IP FOLU

<b>Child Project Title:</b>	Food System, Land Use and Restoration Impact Program in Vietnam
<b>Country:</b>	Vietnam
<b>Lead Agency</b>	FAO
<b>GEF Agency(ies):</b>	N/A
<b>Executing Partner(s)</b>	Ministry of Natural Resources and Environment (MoNRE)
<b>Total project cost (GEF Grant):</b>	\$5,354,587
<b>Total Cofinancing:</b>	\$83,000,000

### PROJECT DESCRIPTION

#### 1. Country Context (*maximum 500 words*)

**Describe the country's relevant environmental challenges and strategic positioning relative to the systems transformation proposed for the program, including relevant existing policies, commitments, and investment frameworks. How are these aligned with the proposed approach to foster impactful outcomes with global environmental benefits?**

Rice plays a vital role in Vietnam's agricultural sector, with significant number of smallholder farmers depending on it for their livelihoods – particularly in the Mekong Delta. The Delta is home to 17 million people, 60% of whom are engaged in rice cultivation. It produces 50% of Viet Nam's rice and 95% of its exported rice and is one of the world's largest rice producing areas. Vietnam has significantly boosting its rice production in the past decades. The emphasis on increased production has come at the expense of the environment. Fragmented land use planning with extensive use of agrochemical inputs has caused human health issues, land degradation, water pollution, and loss of biodiversity. Furthermore, rice production is responsible for approximately 17% of the country's total GHG emissions.

Vietnam's vision is to transform its rice and land use systems. **National Green Growth Strategy** and the **Agricultural Restructuring Plan** emphasize the sustainable use of natural resources and modernization of agricultural production. The Government of Viet Nam has issued strategic plans, such as **Mekong Delta Masterplan**, the decision to coordinate inter-provincial development in the Mekong Delta (**Prime Minister's Decision 593**) and supporting legislation. Specifically, with **Resolution 120**, the sustainable and

climate resilience development plan for the Mekong Delta<sup>55</sup>, the Government looks to identify, establish and implement a new institutional and legal/policy framework to improve sustainable and climate-resilient planning across the Delta. This includes formulation of water resources, land use and environmental protection plans and calls for amendments to the land policy and law to create favorable to enhance competitiveness and efficiency, especially high-tech and sustainable agriculture with the emphasis on attracting private sector investments. Other key strategies include: **Environment Protection Strategy 2020, vision to 2030** (particularly for restoration of degraded lands), **National Strategy on Water resources 2020** (based in integrated management approach); **National Strategy on Climate Change; National Strategy for Environmental Protection until 2020; Rice Restructuring Strategy until 2020, vision 2030**<sup>56</sup>.

Women's crucial role in the rice value chain also needs to be recognized, as they account for 50% of all rice producers in Vietnam, However, productivity and export potential in the sector does not translate into improved living standards for rice-growing households due to small-scale production, a fragmented value chain, unsustainable production practices, and dependence on low-priced markets, with women farmers' limited access to information and technical knowledge, lack of investment sources, and lack of a committed sourcing strategy by export companies.

The project will adopt an integrated, multi-sectoral and multi-level approach, addressing key sustainability and social inclusion issues in rice production landscapes – both on-farm and off-farm, through linking national policy instruments, partnership along the value chain, and enabling conditions to establish sustainable landscape management, whilst benefitting food security and poverty alleviation, climate mitigation targets, conservation of biodiversity and water resources, as well as reducing pollution and human health impacts from unnecessary use of agrochemicals.

Vietnam's involvement in the IP calls for a major global transformation of the rice value chains and will demonstrate the potential for integrated, inclusive, and sustainable management approaches in a rapidly developing and trade oriented economy that address the underlying drivers of environmental degradation. The approach provides a model to other similar contexts and will yield additional GEBs and co-benefits.

## 2. Project Overview and Approach (*maximum 1250 words*)

- a) Provide a brief description of the geographical target(s), including details of systemic challenges, and the specific environmental threats and associated drivers that must be addressed;

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<sup>55</sup> issued by the Prime Minister in 2017

<sup>56</sup> The goals include (1) Rice farmers' net income increases beyond 30% or above of the total gross revenue; (2) The adoption of improved technologies, integrated pest management (IPM), and good agricultural practices will cover most of rice sown area (4) Postharvest loss will reduce down to 8% in 2020 and 6% in 2030. (5) Greenhouse gas emissions will reduce 10% in 2020 and 30% in 2030 as compared to the present level.

This project will target 20% of the Mekong Delta (MD)'s rice production area within the provinces of Dong Thap, An Giang, Vinh Long, Soc Trang and Tra Vinh . The Delta is part of Greater Mekong ecoregion that has Mekong Peat Swamp Forests and RAMSAR sites of Cat Tien, Tram Chim and Mui Ca Mau, which are habitats for globally important species such as the Bengal Florican. Key environmental threats from current rice production have been described in earlier section. Key systemic challenges the project will address include:

*Inadequate cross-sectoral policy support and low stakeholder capacities to promote sustainable food systems that enhance global environmental benefits:* there is currently limited inter-sectoral approach to undertake spatial plans to mitigate threats from unsustainable agricultural practices GEBS on farm and in the wider landscape. Shifts in market conditions require new focus on modernization, diversification and sustainable, integrated approaches. However, existing policy and legal frameworks are inadequate to bring about effective ILM at scale to achieve socioeconomic and environmental benefits. The narrow productivity-focused approach to rice production is perpetuated by the extension support by Governmental institutions, NGOs, producer organizations and the private sector. There is limited capacities amongst the members of rural communities to analyze changing circumstances and needs and respond in effective and innovative manner.

*Limited incentives to stimulate responsible, equitable and sustainable rice value chains:* Rice value chains are fragmented, poorly coordinated and has many intermediaries, making integrated approaches and whole of value-chain efforts to enhance sustainability difficult. The GoV is upgrading and improving efficiencies in rice value chains by encouraging (i) vertical coordination between exporters and farmers through contract farming, and (ii) horizontal coordination among farmers through the “small farmers, large field” program. Most producers lack capacities to take advantage of the opportunities that exist, in the form of reliable demand and favorable prices, from selling to markets that prefer sustainable production. There is inadequate policy support to the provision of financial services, incentives and institutional support for integrated, sustainable approaches to rice production and the management of its landscapes. Private sector and consumer involvement to incentivize sustainable rice value chains are in early stages of development and are inadequate to have transformative impacts at the scale needed. In particular, there is limited support to organize and incentivize male and female smallholders to work effectively across landscape level and to build effective and equitable relation with the market.

- b) Describe the existing or planned baseline investments, including current institutional framework and processes for stakeholder engagement and gender integration;

The GOV is investing in several initiatives targeting sustainable rice and land use systems. Several are outlined in Section 1 above, including: National Green Growth Strategy, Agricultural Restructuring Plan, Mekong Delta Masterplan, Prime Minister's Decision 593, Resolution 120, Environment Protection Strategy 2020, vision to 2030 National Strategy on Water resources 2020; National Strategy on Climate

Change; National Strategy for Environmental Protection until 2020; Rice restructuring till 2020, vision 2030<sup>57</sup>; and others. This program will support the Vietnamese Government in the implementation of these initiatives.

Central, provincial and commune governments work together sustainable landscape management and farming practices. **MARD** implements agriculture transformation vision; and suggests policies; and formulates action plans that are assigned to affiliated units and local governments for implementation. **MoNRE** is focal agency in reviewing and controlling planning, implementing planning for agricultural land (paddy land); land policies, resources, and biodiversity and environment protection. **The Ministry of Planning and Investment (MPI)** encourages cross-sector development planning. **Local governments** support production of locally appropriate systems, aligned with development plans and market demands; devise production models review and rearrange local state-owned plantations, forestry companies, and irrigation management units to ensure efficiency of land/ resource use, and provide policies on attracting investment in agriculture and rural development.

The **Rice commodity PPP Task Force**, established in 2017 and co-chaired by IPSARD, a public sector representative, and Bayer (a private sector representative) is piloting the SRP in MD and Red River Delta with private companies (Bayer, Loc Troi Corporation, Bui Van Ngo Company and Thai Binh Seed Company). The aim is to reach 20,000 farmers by 2020. It is also developing sustainable value chain and brand name for Vietnam rice- working with commercial banks, financial institutions and supermarkets. **Partnership for Sustainable Agriculture in Vietnam (PSAV)**, under MARD, includes several private companies. The Rice Working Group under PSAV is co-chaired by IPSARD and Bayer and its core members are private companies (Loc Troi Corporate, Bui Van Ngo Company and Thai Binh Seed Company), international organizations (GIZ and SNV), government (DCP, NAEC, Agrottrade).

Global and local private sector companies in the project target regions are already either sourcing SRP rice directly or supporting private sector companies to integrate SRP and/or complimentary standards into their rice value chains. In Dong Thap province, Phoenix Global Group – a global rice trading company - and Loc Troi – the largest rice corporation in Vietnam - are working with Rikolto and the Dong Thap Department of Agriculture and Rural Development under the **Development of Sustainable and Inclusive Rice Value Chain for smallholder producers in Vietnam** programme to link smallholder farmers to national and global value chains for sustainable rice products by providing smallholders with support to meet SRP standards. Similar initiatives are underway in An Giang province with support from Rikolto. In both provinces support to meet SRP standards is being packaged as part of tailored participatory guarantee systems (PGS) that provide inclusive, community focused processes to support smallholders to meet product standards such as organic. In Soc Trang province, Oxfam has worked with two companies, An Dinh (Vietnam) and Dentraco (Vietnam), to provide access to sustainable rice production techniques in compliance in line with SRP principles through Public Private Partnership models to encourage more

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<sup>57</sup> The GoV plans to implement the strategy prioritizing the infrastructure components. The financial details are to be available during the PPG.

inclusive and sustainable rice value chains under the **Gender Transformative and Responsible Agribusiness Investments in Southeast Asia** programme. These baseline projects serve as models to scale-up smallholder adoption of sustainable practices consistent with SRP and associated management practices.

One of the key mechanisms at the national level to engage farmers is through the **Vietnam Farmers Union**. It is organized at four official levels: national, provincial, district and commune level. The project will build on the current membership of VFU and expand membership, as needed, to cover farmers in the target landscapes to work collectively.

In terms of gender machinery, the key counterpart is the government agency responsible for overseeing gender equality initiatives, the National Committee for the Advancement of Women (NCFAW) is an inter-ministerial committee comprising of a network of Committees for the Advancement of Women (CFAWs) in all ministries/agencies and in all 64 provinces of Viet Nam. The Viet Nam Women's Union is a major and very experienced organization with strong links to the government, also works closely with CFAWs. It incorporates a host of women farmers' organizations and trade unions and is involved with economic empowerment and targeted training activities, savings and credit schemes for rural women, including mobilizing funds from the Bank for Social Policies and Bank for Agriculture and Rural Development, and is a natural partner of development agencies.

Other relevant international cooperation projects this work has consulted with and builds upon include:

- 1) Mekong Delta Climate Resilience Program (GIZ) 2019-2021, EUR 7 million - The project supports the Vietnamese partners in establishing an institutional framework for the regional coordination of climate-resilient development in the Mekong Delta.
- 2) Modernizing Smallholder Value Chains (GIZ) 2018-2022, EUR 2.8 million. The project is working to advance the agrifood sector along entire value chains, and in particular, for the rice, vegetable, fruit and coffee sectors. The project takes into account important factors such as further processing and market linkages for smallholder households. It is also addressing important work supporting soil and nutrient management and as related to small farm household economics.
- 3) Mitigation Options to Reduce Methane Emissions in Paddy Rice (IRRI) - Initiative aims to implement the alternate wetting and drying (AWD) technology, on large scale, in Vietnam, Bangladesh, and Colombia to significantly reduce methane emissions from rice fields. The program addresses major constraints to mitigation in paddy rice by identifying (1) best management practices that achieve both mitigation and food security and (2) incentives, technical support mechanisms, and enabling conditions to overcome the barriers that men and women farmers face in using new practices. Based on these assessments, the Paddy Rice Component will produce technical and policy guidance for national governments to implement greenhouse gas (GHG) mitigation options at large scales.

- 4) CORIGAP-PRO, Closing Rice Yield Gaps in Asia (IRRI) - The project aims to improve food security and gender equity, and alleviate poverty through optimizing productivity and sustainability of irrigated rice production systems.
- 5) Promoting Global Best Practices and Scaling of Low Emissions Technology by Engaging the Private Public Sector (IRRI). IRRI is actively leading work important to identifying and implementing suitable rice/CSA technologies, support for decision making and capacity building, and introducing land promoting the licensing of rice varieties and products that meet Sustainable Rice Platform standards to achieve large-scale adoption of climate-smart, sustainable best practices in rice production.
- 6) GHG mitigation in rice: From Evidence-based Concepts to Adoption at Scale (IRRI) - project's focus is on options for enhancing the uptake of low-emission development technologies and practices in rice through new technical innovations.
- 7) Rabobank Foundation Rice Programme - Rabobank Foundation working with CEP, an independent Vietnamese non-profit organization, is providing microcredit to rice farmers linked to technical assistance.
- 8) Project for Adaption to Climate Change in the Mekong Delta in Ben Tre and Tra Vinh Provinces (IFAD) - The goal of this project is to support sustainable livelihoods for the rural poor through two main components: 1) Building the capacity for climate change adaptation with participating communities, institutions and provinces for the agriculture and rural development sector, 2) Investing in sustainable rural livelihoods by providing the financial means and facilities to scale up the results of community-based research and development in this sector.

c) Describe how the integrated approach proposed for the child project responds to and reflects the Program's Theory of Change, and as such is an appropriate and suitable option for tackling the systemic challenges, and to achieve the desired transformation with multiple global environmental benefits; and

The project will follow the landscape approach<sup>58</sup>. The project will transform management of rice landscapes in Vietnam by promoting inclusive, sustainable agricultural value chains that address underlying drivers of landscape degradation and enhance GEBs. Its components, outcomes and actions are aligned with the FOLUR TOC and address the proximate and underlying causes of key food and land-use challenges identified. The project will address weak planning processes, conflicting land-use policies and poor participation/inclusion of stakeholders and land-users for sustainable food systems and landscape-scale restoration by improving inter-sectoral collaboration through enhanced policy/regulatory frameworks for ILM and land-use/hydrology planning that facilitates integrated multi-agency and regional management of rice production landscapes.

Landscape degradation and loss of agrobiodiversity in the MD will be addressed through the promotion of ILM and through sustainable rice production, agro-ecology and diversified value chains linked to public-private investment and partnerships linked to shared commitments to sustainable commodity standards for rice and other products promoted by SRP and GoV under Vietgap. By providing capacity and

<sup>58</sup> <http://www.fao.org/3/i8324en/i8324en.pdf>

mechanisms to link smallholders to national and global markets for sustainably produced commodities (e.g. through sustainable farming contracts) the project will address knowledge gaps on sustainable production practices (e.g. low GHG, increased Water-Use-Efficiency) and improve the responsiveness of commodity value chains and associated finance. Based on experiences with PGS and PPP, global and national rice producing and trading companies either working with the project implementing partners or operating in target project regions including OLAM, Vinaseed Group, PAN group (Vietnam), Southern Seed Cooperation (Vietnam), Yanmar CO., LTD (Vietnam), and MyLan Group (Vietnam) will be engaged to increase the production sustainably certifiable rice products and explore tangible mechanisms to integrate them into local and global value chains such as offtake agreements and purchase guarantees for certifiable rice products. The project will enhance access to and partnership with these supply chain actors, commodity platforms, and brand-building for sustainable rice through outreach, sustainable business fora, and capacity building linked with the SRP global partnership as well as the Global FOLUR Platform.

The integration of landscape-based restoration and conservation approaches incorporating nature-based solutions such as constructed wetlands, mangroves, green water management infrastructure will regenerate ecosystem services and biodiversity across the target landscapes.

The project will address existing gender gaps in terms of the limited access that women have to productive resources, services and employment opportunities; and invest in their technical and leadership skills so that they can participate in decision-making and fully benefit from the project's interventions. Special measures will be taken to increase women's access to sustainable rice production practices, storage and processing technologies, and to reduce their work burden. Labor-saving technologies and mechanization are especially relevant for women rice farmers who provide labor for back-breaking rice operations such as transplanting, weeding, harvesting, and threshing. Also, providing women farmers access to stress-tolerant seeds will increase the resilience to extreme climate variability due to reduction in crop losses. Through their dominant role in post harvest and food processing activities, women can contribute to reduction in post harvest losses and increased quality of rice, which contributes to increased food security and health and nutrition, while value adding technologies will provide women additional income. Technical capacity building in sustainable agricultural practices (SRP, SRI, rice organic farming), gender training and

Gender Action Learning System methodology will be deployed empower women in different contexts, including opening access to and strengthening women's collective capacity to achieve common goals/interests together with women's groups or farmers' cooperatives, and producers' groups. These planned activities will be preceded by an in-depth gender analysis, informing project design and implementation.

Knowledge Management and Outreach to other rice landscapes, through improved monitoring framework, metrics/indicators and establishing a country-level online platform to monitor GEBs. Linkages to other rice commodity child projects under the FOLUR IP will enhance the potential for lessons learned

across different production systems and within global rice value chains for the benefit of other FOLUR IP countries.

- d) Describe the project's incremental reasoning for GEF financing under the program, including the results framework and components

The project leverages local-national government and public and private stakeholders to address underlying drivers of unsustainable production systems and integrate across IP objectives to address systemic challenges identified earlier in this document by:

- Strengthening policy and institutional frameworks for ILM and Sustainable Food Systems that bring together multiple government, private sector and community stakeholders at landscape level to effectively plan and implement plans for sustainable agriculture value chains nested in healthy agriculture landscapes.
- Scaling-up climate-smart and eco-friendly farming production practices and diversification through application of agreed local, national and international rice standards via a mix of proven participatory approaches such as FFS and PGS and enabling industry stakeholders/actors to enhance sustainable value chains and products, with significantly reduced environmental impacts (IP Objective 1).
- Enabling smallholders women and men farmers to access incentives for sustainable rice production practices and alternatives to intensive rice monoculture including diversification with aquaculture-rice integrated systems, rotations with other crops that can also increase wetland biodiversity, land restoration and reduce environmental pollution (IP Objectives 1 and 3).
- Facilitating restoration of degraded ecosystems and agrobiodiversity in key rice-production landscapes through ILM and adoption of nature-based solutions to promote resilience and improved water management based on landscape-level hydrology analysis, spatial planning, and use of nature-based infrastructure solutions (IP Objective 3).

### 3. Engagement with the Global / Regional Framework (*maximum 500 words*)

Describe how the project will align with the global / regional framework for the program to foster knowledge sharing, learning, and synthesis of experiences. How will the proposed approach scale-up from the local and national level to maximize engagement by all relevant stakeholders and/or actors?

Knowledge sharing and learning is a key component to achieving the expected transformative impact of the project in Vietnam. Rice commodity PPP Task Force established in 2017 will be used to convene leaders and public and private stakeholders of other key agricultural players and provinces to exchange knowledge and lessons learned and inspire others. The private sector will be an important catalyst for scaling and technology transfer within Vietnam. In addition, by demonstrating to the provincial/national government and to other counties/provinces how to achieve more sustainable outcomes, and by

ensuring that knowledge from the project are transferred into the provincial/national government's action plans, such as provincial land use plans, it will be possible to ensure wider scale-up nationwide of the innovations to be implemented under the project.

Through the national and provincial levels, the project will support the Vietnam Farmers Union to convene multi-stakeholders including the private sector, academia, national agriculture banks and insurance companies to support sustainable rice landscapes management and strong gender integration. As a result, small-scale producers will be effectively connected or engaged in agri-commercial value chains in equitable partnerships with women recognized as central economic actors.

Regionally, Vietnam plays an active role as a party to the Mekong River Commission (MRC), which aims to improve the utilization, conservation and management of water and related resources in the Mekong region. Globally, Vietnam is involved in '4 per 1000' Initiative and Sustainable Rice Platform (SRP).

Asia and the Pacific's Regional Climate Change Initiative hosted by FAO integrates a regional rice work programme focused on improving the sustainability of rice production and resource use efficiency, and ultimately improving food and nutrition security, based on conservation and sustainable management of goods and services from rice ecosystems and landscapes. The work under the Initiative has proven to be successful among the rice producing countries in the region and will be used to share the knowledge across the region.

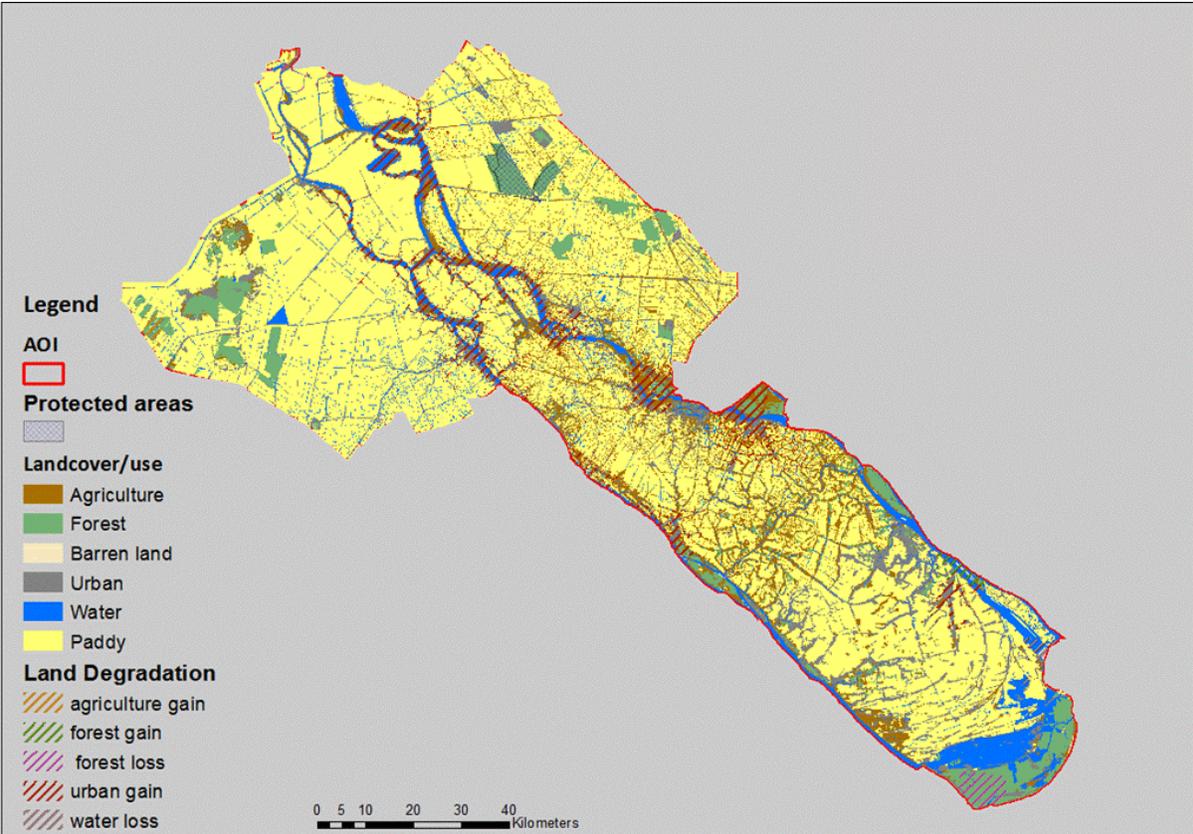
The Sustainable Rice Platform (SRP) is a multi-stakeholder platform established in December 2011 to promote resource efficiency and sustainability in trade flows, production and consumption operations, and supply chains in the global rice sector. In Vietnam private and public entities (incl. IPSARD and Loc Troi Corporation) have joined to promote sustainable rice cultivation. It is expected that the Vietnam project will contribute to and benefit from knowledge dissemination through the SRP network, and regional coordination. The SRP plays an important role in integrating research with private sector opportunities, and the technical knowledge, innovations and best management practices emerging from the project along with others in SRP partnership will of key value. For instance, the project's experience in promoting PGSs and SRP Standard adoption will be documented and used to inform future PGS and SRP activities not only in Vietnam, but in Cambodia, Thailand and potentially elsewhere in the region.

Through measures to link smallholder producers and value chain actors to the sustainability standards developed under the SRP, the project will also engage a consortium of private sector commodity buyers and traders, NGOs, international development organizations and governments working to promote more sustainable rice products. This same approach will be integrated into other FOLUR commodity projects incorporating SRP standard in China, Indonesia and Thailand as well as countries outside of the FOLUR.

The project will engage robustly with the FOLUR global platform to share lessons learned outward and bring lessons, investment and good practice to Vietnam. This engagement will be a two way street with the global platform enabling catalytic engagement by the child projects to benefit from global level dialogue and action. Lessons learned across this portfolio of programmes will strengthen global-level IP outcomes on leveraging global coalitions to pursue FOLUR objectives and outcomes and promoting public and private investments in ILM, deforestation-free commodities influenced by FOLUR, in FOLUR countries and globally.

A priority approach will be to build on existing platforms at the global level as well. A key platform for food systems is the One Planet network (10YFP) Sustainable Food Systems (SFS) Programme, an important global multi-stakeholder partnership recognized by SDG 12, Target 12.1. The One Planet is the only truly multi-stakeholder (government, UN, civil society, private sector (national - global)) network. Its goal is to accelerate the shift towards more sustainable food systems <http://www.oneplanetnetwork.org/sustainable-food-system/about>.

**Annex 1. Land use in the target area**



(Source: MONRE, 2015; FAO, 2019)

Global

**GEF-7 CHILD PROJECT CONCEPT**

**CHILD PROJECT TYPE: Full-sized Child Project**

**PROGRAM: IP FOLU**

<b>Child Project Title:</b>	FOLUR Global Knowledge to Action Platform to Support Transformational Shifts In Food and Land Use Systems
<b>Country:</b>	Global
<b>Lead Agency</b>	WB
<b>GEF Agency(ies):</b>	FAO UNDP UNEP
<b>Total project cost (GEF Grant):</b>	\$29,128,440
<b>Total Cofinancing:</b>	\$41,000,000

**PROJECT DESCRIPTION**

Country Context (*maximum 500 words*)

**Describe the country's relevant environmental challenges and strategic positioning relative to the systems transformation proposed for the program, including relevant existing policies, commitments, and investment frameworks. How are these aligned with the proposed approach to foster impactful outcomes with global environmental benefits?**

The FOLUR Global Knowledge to Action Platform is a global project for coordination, acceleration and upscaling the impacts of the Country Child Projects (CP). The objectives are to strengthen and link global coalitions with CP efforts and enhance international actions for a transformational shift in targeted commodity value chains and landscapes/land-use systems. The goal and design are based on the analysis that the global food system is critical for sustainable development, but also a major driver of forest loss, landscape degradation, and GHG emissions, with increasingly dire consequences. The challenge of sustainable food and commodity production will grow along with population and demand, yet agriculture is also vulnerable to climate change. The pace and scale of land use change and environmental degradation is particularly concentrated in the tropical rain forests of Latin America, Sub-Saharan Africa, and South East Asia. These issues have root causes based in global commodity supply chains; unsustainable practices; misaligned incentives; consumer awareness/ unresponsive markets; and a range of governance issues, relating to planning, institutional mandates, and inclusiveness. Unsustainable practices are common where palm oil, beef, soy, cocoa and coffee are produced, as well as food production systems for staple crops. Misaligned incentives arise because natural habitats and ecosystem services are generally undervalued and global markets – driven by consumer willingness to pay – do not naturally incentivize sustainable practices.

GEF's IP Programming Directions describe the need for significant transformation of global food and land use systems so that production areas are integrated in larger landscapes, producing ecosystem services and maintaining natural capital. Achieving this transformation will require an integrated approach emphasizing both horizontal (land and natural resources) and vertical (food value and supply chain) dimensions.

#### Project Overview and Approach (*maximum 1250 words*)

Provide a brief description of the geographical target(s), including details of systemic challenges, and the specific environmental threats and associated drivers that must be addressed;

The FOLUR TOC (Annex B) describes land use and forest loss challenges, leading to loss of environmental services, biodiversity, emissions, climate vulnerability and livelihood losses. Underlying drivers include agricultural expansion and unsustainable practices, unresponsive commodity value chains, knowledge gaps for sustainable production practices, and insufficient scale and fragmentation of financing. These drivers are intensified by weak planning processes, conflicting policies and incentives, weak institutional capacity and collaboration, and weak inclusion of stakeholders and land users.

There are opportunities to build on country level reforms and international commodity markets that are developing deforestation free commitments and standards. Countries have committed to specific actions in the context of climate change and the SDGs. More companies are committed to greening value chains and responsible sourcing of sustainable products. The FOLUR IP and this global platform project are structured to address these issues and capitalize on opportunities through key intervention areas. To address planning and knowledge gaps, the project will promote comprehensive land planning, coupled with TA and advisory services, knowledge, and outreach. To address policy barriers, the project will promote incentive alignment, coupled with policy analysis and advocacy support. To address scale and financing, the project will promote links with private partners, leverage, scaled up innovations, and value chain partnerships. To address governance and institutional gaps, the project will promote integrated approaches at country and landscape level, coupled with policy support.

FOLUR's target program area is global, focused on opportunities to address these challenges in specific commodity and food production landscapes for cocoa, coffee, soy, palm oil, beef, rice, corn and wheat. The FOLUR Country Projects offer good opportunities for learning and potential for scaling-up, augmented by the Global Platform. In East Asia, the FOLUR IP has attracted significant investments in landscape management and value chain transformation in six countries. In Sub-Saharan Africa, the FOLUR IP currently includes six countries representing significant cocoa and coffee producing areas, important forest biodiversity and agrobiodiversity areas, and important regional food producers. In Europe and Central Asia, Ukraine and Kazakhstan will focus on improving production practices in large scale degraded landscapes of peat and steppe, producing primarily beef and wheat. In Latin America, four countries have proposed projects addressing deforestation threats in coffee, cocoa, palm oil, and beef production.

Describe the existing or planned baseline investments, including current institutional framework and processes for stakeholder engagement and gender integration;

While integrated landscape management (ILM) practices are being adopted in several countries for both food security and ecosystem services, these efforts are often not inclusive of women and other less

empowered groups. More attention is needed on integrating gender-responsive actions into management systems for production landscapes to enhance women's more active participation in actions that reduce pressure on forests and natural habitats, preserve natural capital and enhance sustainability and resilience. Some of the existing stakeholders and coalitions are actively working on gender-FOLUR issues (e.g. GLF-CGIAR's 'Gender Constituency', FAO, IUCN), but such a focus is at a nascent stage for the most part in terms of much larger gender-targeted FOLUR investments in support of transformative food systems change.

Accordingly, the Global Platform will ensure that CP's and the Program as a whole have specified **gender outcomes and action plans**, with targeted activities that address project-specific gender gaps, and indicators to monitor progress towards gender outcomes. This will be done in collaboration with partners experienced in implementing participatory gender action planning approaches (e.g. developing project and program-specific gender 'roadmaps', as IUCN has done with WBG support in relation to forest landscapes).

At the Program and global level, the Platform will develop a **Gender Strategy** as well (that is not just an aggregation of the CP's gender activities). This could include Platform support (e.g. trainings, knowledge products, communication efforts) towards increasing the number of commitments and initiatives aimed at promoting gender equality linked to particular commodity value chains, for example. It could also include actions aimed at filling information gaps related to gender-related challenges and opportunities facing smallholders across the wide range of environments covered by the FOLUR global partnership.

Describe how the integrated approach proposed for the child project responds to and reflects the Program's Theory of Change, and as such is an appropriate and suitable option for tackling the systemic challenges, and to achieve the desired transformation with multiple global environmental benefits.

The FOLUR TOC and key interventions are described in detail in Annex B. The IP features the Global Platform Project and 18 Country Projects (possibly more later). The Platform structure and partners (see Annex B) are designed to contribute to successfully delivering activities and achieving outcomes leading to GEBs. The Global Platform features:

- Program Management, Coordination and M&E: managing the Program, coordinating with partners and planning events, convening and participating in global dialogue processes, providing guidance to CP teams, as well as collating and aggregating M&E data from CPs and reporting on the Program.
- Pillar A: Program Capacity Strengthening: providing and catalyzing cross-cutting analyses, syntheses, lesson-sharing across and beyond a FOLUR Community of Practice.
- Pillar B: Policy and Value Chain Engagement: facilitating public-private and multi-stakeholder dialogues, investor fora, engaging private sector/corporate governance, and catalyzing policy and institutional change.
- Pillar C: Strategic Knowledge Management and Communications (global, regional, thematic), that includes knowledge sharing not only among Country Projects, but will also seek, share and leverage knowledge more widely, with the help of global coalition partners and others.

The FOLUR core partners are global coalitions and organizations selected for strategic value and impact. In brief (see Annex B and sub-Annex 2 for a more detailed description), the partners and their value addition to FOLUR are:

- World Bank: IP Lead Agency. Key responsibilities: Managing, leading the Global Platform, convening, leveraging WBG investments, catalyzing public-private actions from subnational to global levels to further FOLUR objectives, influencing project/program design, informing global flagship reports, reporting. Brings investment, policy dialogue, ILM experience.
- Food and Land Use Coalition: Led by WRI with many national and sub-national partners, aimed at supporting policy change and other transformations towards sustainable food and land-use systems. Links with FABLE, GFW, Initiative 20x20, and the AFR100 partnership. Brings experience and expertise in ILM approaches.
- Food and Agriculture Organization: Global expertise and tools on food systems and commodities. High level engagement with Ministries of Agriculture. Strong in informing and influencing national policies, regulations and standards.
- Global Landscape Forum: Led by CIFOR/CGIAR, convenes annual global and regional fora on ILM. Expertise of 15 CGIAR Centers plus national and subnational agricultural/landscape/food systems research for development partners.
- Green Commodities Program / Good Growth Partnership: Led by UNDP with IFC, UNEP, CI, WWF. Working on 7 commodities in 12 countries, regular meetings. Brings experience in harmonizing agriculture and restoration best practices and supporting advocacy through government partnerships.

These partners will be jointly learning, leveraging and spreading FOLUR results through established networks to scale up, mainstream, and incentivize improved landscape and supply chain practices. The platform will advance country efforts in critical landscapes and value chains, generating results and lessons for wider replication. The Platform's FOLUR's Program Management, Coordination and M&E function will strengthen collaboration among IAs, participating countries, coalition partners and investors. Through its efforts in strategic capacity strengthening, policy and value chain engagement, and knowledge management and communications, the Platform will engage, strengthen and expand a community of partners to deliver on Program goals.

Describe the project's incremental reasoning for GEF financing under the program, including the results framework and components.

Despite alarming degradation trends, there are clear opportunities for improving the sustainability of commodity production and consumption that can lead to reduced pressure on forests and ecosystems. Improved land-use planning that establishes clear restrictions on land use, conservation of protected areas, and use of taxes, regulatory tools and incentives can encourage more sustainable practices and reduce encroachment. Partnerships with the private sector plus better coordination across agencies will enable more integrated solutions, combining market solutions with regulatory tools. Given that the negative externalities from current agricultural and land use practices stem from both commercial and subsistence agricultural practices across the globe, albeit in contextually different settings, action is needed simultaneously on the demand side (for responsible sourcing by global commodity value chains, and the awareness and options for consumers to choose sustainable consumer goods) and on the supply side (to raise productivity, restore degraded lands and promote sustainable and climate smart agricultural practices).

To catalyze mutually reinforcing actions, the Platform and Country Child Projects (CPs) will be closely coordinated and interactively managed to learn, absorb, and disseminate lessons beyond the targeted

geographies. On the demand side (involving value chain private sector players, buyers, processors and financiers), the Platform will leverage existing global fora, coalitions and available platforms involving public and private entities to influence policies, practices and behaviors to initiate and sustain a major effort in “greening” food and land use systems, particularly agricultural value chains, production systems and incentives for landscape management. An important gap the Platform will seek to fill will be influencing the “middle” rung of targeted commodity value chains – the national level players that intermediate between local and international levels for commercial crops, and between local and consumer levels for food crops.

The Platform will provide the “space” needed for constructive discourse and alignment of solutions across multiple scales, as a means to influence transformational shift toward sustainable and resilient food systems. Such a Platform will enable countries and businesses to have access to cutting edge knowledge and expertise for transformation of food systems, while at the same time catalyzing and aligning solutions to maximize potential for GEBs. By linking the IP investments with other relevant regional and global initiatives, the global platform will play a key role in ensuring that the whole of the program is greater than what will be delivered through the country child projects.

Engagement with the Global / Regional Framework (*maximum 500 words*)

**Describe how the project will align with the global / regional framework for the program to foster knowledge sharing, learning, and synthesis of experiences. How will the proposed approach scale-up from the local and national level to maximize engagement by all relevant stakeholders and/or actors?**

The FOLUR IP is designed to advance sustainable, integrated landscapes and efficient food supply chains at scale, promote sustainable food systems, deforestation-free commodity supply chains, and landscape-scale restoration for production and ecosystem services, while reducing negative externalities. FOLUR will add value in three strategic ways. Country projects will work in critical landscape and commodity production systems. The Global Platform will integrate projects, partners, policies and practices into a program that is greater than the sum of its parts through strategic investments in capacity strengthening, engagement with value chains, policy and advocacy and proactive knowledge management. The Platform will coalesce partner organizations to employ their comparative advantages for strategic impact (see Annex B for details on core coalition partners and their envisioned roles, with illustrative activities).

The Global Platform aims to bring governments, companies, NGOs, and smallholders together into partnerships for transformative improvements in food production landscapes and commodity value chains. The platform will support and promote CPs to engage in more participatory and comprehensive land use planning, promote better governance and aligned incentives, scale up innovation and leverage investments. The platform will be striving to influence global audiences and achieve GEB objectives, scaled up impact, mainstreaming of improved practices, systematic uptake and policy changes that make sustainable approaches the new norm. The platform will be creating momentum, leveraging financing, influencing policies, and engaging the private sector at country and global levels. The platform will build

on existing partnerships, networks and momentum, collaborating with GGP, FOLU, GLF, FAO and others to help make these pledges operational. Platform partners will expand the impact of country efforts by promoting learning and outreach, supporting policy changes, demonstrating improved practices, and deepening corporate engagement on value chain partnerships.

To advance engagement and scale up, the Platform will deploy communication, outreach and convening tools to ensure that innovations, improved practices and incentives are well documented and widely understood among relevant practitioners, policy makers, and financiers at the national and global level. The Platform will enhance impact through global and sectoral initiatives, working with international commodity buyers and manufacturers, commodity trade associations, and global markets to improve standards and certification systems, and monitoring. The Platform will also engage with commercial financial institutions (through diagnostics, convening, analytical support) on financing, greening and responsibility standards.

These actions will help countries to improve ILM practices and protection of HCV areas; align policies and incentives and build implementation capacity; promote adoption techniques and innovations, backed by harmonized plans and collaborative approaches; and scale up investment through MDBs and the private sector, including farmers and other food system actors adopting more sustainable approaches. These outputs will then lead to desired outcomes, including landscapes with improved, sustainable approaches, reduced conversion and degradation of forests and habitats, managed by stronger institutions with clearer mandates and harmonized incentive systems; improved management of commodity production systems, increasing resilience and diversity, and reducing threats, with greater investment in integrated landscape scale production systems. These outcomes will advance toward the program level results and GEBs, including: biodiversity enhanced and protected; emissions reduced and avoided; climate resilience enhanced; and land degradation avoided or reversed.

## **ANNEX B: FOLUR Global Platform Project: A Global Knowledge to Action (K2A) Platform That Supports Transformational Shifts in Food and Land Use Systems**

**The objectives of the Global Knowledge to Action (K2A) Platform** (a Global Child Project) – hereafter referred to as ‘the Platform’ in short - are to strengthen global coalitions and enhance and aggregate national and international actions supporting a transformational shift in the targeted commodity value chains and landscapes/land-use systems. The FOLUR Impact Program Theory of Change (ToC) is shown in Sub-Annex 1. The Platform is the critical piece that will integrate and drive all the components and partnerships of the FOLUR IP. The ToC shows how FOLUR’s organization, structure and partners, contribute to successfully delivering the activities and achieving the outcomes, leading to global environmental benefits.

To achieve the objective of delivering transformative change in food and land use systems, the program will be strategically managed at the global level through the Platform to integrate and scale up outcomes and impacts from targeted landscapes with individual CP’s to other landscapes and geographies within and across national and regional boundaries. Importantly, given that the negative externalities from current agricultural and land use practices stem from both commercial and subsistence agricultural practices across the globe, albeit in contextually different settings, action is needed simultaneously on the demand side (for responsible sourcing by global commodity value chains, and the awareness and options for consumers to choose sustainable consumer goods) and on the supply side (to raise productivity, restore degraded lands and promote sustainable and climate smart agricultural practices).

To catalyze mutually reinforcing actions, the Platform and CP’s will be closely coordinated and interactively managed to learn, absorb, and disseminate lessons beyond the targeted geographies. On the demand side (involving value chain players, buyers, processors and financiers), the Platform will leverage existing global fora, coalitions and available platforms involving public and private entities to influence policies, practices and behaviors to initiate and sustain a major effort in “greening” food and land use systems, particularly agricultural value chains, production systems and incentives for landscape management. An important gap the Platform will seek to fill will be influencing the “middle” rung of targeted commodity value chains – the national level players that intermediate between local and international levels for commercial crops, and between local and consumer levels for food crops.

The Platform will provide the “space” needed for constructive discourse and alignment of solutions across multiple scales, as a means to influence transformational shift toward sustainable and resilient food systems. Such a Platform will enable countries and businesses to have access to cutting edge knowledge and expertise for transformation of food systems, while at the same time catalyzing and aligning solutions to maximize potential for GEBs. By linking the IP investments with other relevant regional and global initiatives, the global platform will play a key role in ensuring that the whole of the program is greater than what will be delivered through the CP’s.

### **Outcomes Focused on Country Child Projects (CP’s):**

- Integrated and effective interventions at scale to deliver shared global benefits
- Enhanced regional and international collaboration to magnify aggregate impacts from individual CPs
- Strengthened capacity of country teams, partners, and implementers to manage landscapes and commodity value chains sustainably

### **Outcomes Focused at Global Level:**

- Leveraging global coalitions to pursue FOLUR objectives and outcomes
- Non-CP countries and commodity value chains integrating lessons, policies, strategies from the FOLUR IP
- Other development partners taking on and promoting FOLUR-catalyzed innovations
- Public and private sector investments in ILM, deforestation-free commodities influenced by FOLUR, in FOLUR countries and globally

**The Platform will include the following parts:**

- Strategic Program Management and Coordination: convening, catalyzing and influencing policies and actions by leveraging strategic public, private and civil society partners at planned events, global fora and dialogue processes; managing program implementation and providing guidance to CP teams, program monitoring and evaluation (M&E), and reporting.
- *Pillar A: Program Capacity Strengthening:* providing and catalyzing cross-cutting analyses, syntheses, lesson-sharing, guidance and trainings across and beyond a FOLUR Community of Practice.
- *Pillar B: Policy and Value Chain Engagement:* facilitating public-private and multi-stakeholder dialogues, investor fora, engaging private sector/corporate governance, and catalyzing policy and institutional change.
- *Pillar C: Strategic Knowledge Management and Communications* (global, regional, thematic), that includes knowledge sharing not only among Country Projects, but will also seek, share and leverage knowledge more widely, with the help of global coalition partners and others.

The concept of **Knowledge to Action (K2A)** underpins the Platform, taking up powerful lessons from ‘Sustainability Science<sup>59</sup>’ that relate to the complex challenges facing this initiative. This research area focuses on what kinds of principles, approaches, and strategies help increase the likelihood that knowledge will lead to actions contributing to sustainable development<sup>60</sup>. The Platform and FOLUR’s coalition of core partners will follow these principles and encourage, guide and support all Country Projects to apply these principles across all components of the Platform, leading to greater overall impact. These principles include pursuing innovative communication approaches, inclusive and participatory engagement processes, strategic capacity and institutional strengthening efforts, and outcome-focused social learning and participatory monitoring approaches. The Platform will apply these principles when it convenes diverse stakeholders, leverages existing coalitions and investments, undertakes strategic, cross-cutting analyses, supports targeted capacity strengthening approaches, and advocates for policy and action changes at subnational, national up to global levels.

The FOLUR Program features the Platform Project and 18 Country Projects (at this time, with potentially more coming in later rounds). Figure 1 below illustrates the organization of the platform and its relationship to the country projects. Figure 2 illustrates the coalition of partner organizations gathered in the global platform project, with the World Bank as IA. The partner organizations are described in more detail in Sub-Annex 2. The K2A Platform will integrate the projects, partners, policies and practices into a program that is greater than the sum of its parts through strategic engagement with global value chain actors and partners; provision of strategic analytical products; policy and advocacy support; and proactive knowledge management. **The FOLUR core partners are global coalitions and organizations that have been selected for strategic value and impact.** These partners will be jointly learning, leveraging and spreading FOLUR actions and results through established platforms and knowledge networks to scale up, mainstream, and incentivize improved practices for better landscape level outcomes and greener commodity

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<sup>59</sup> Matson et al. 2016. Pursuing Sustainability. A Guide to the Science and Practice. Princeton University Press.

<https://press.princeton.edu/titles/10777.html>

<sup>60</sup> Kristjanson et al. 2009. Linking Int’l Agricultural Research Knowledge with Action for Sustainable Development. *Proc Natl Acad Sci USA* 9(13):5047-5052. Kristjanson et al. 2014. Social learning and sustainable development. *Nature Climate Change*(4).

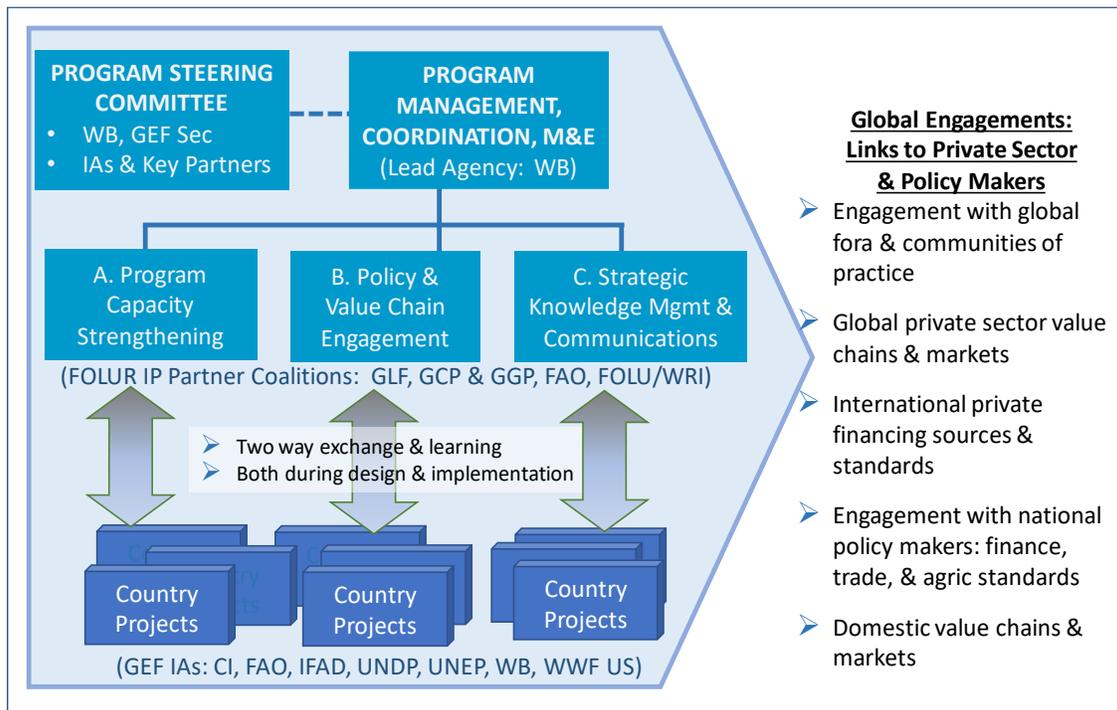
supply chains. These coalitions include and can help link FOLUR to other relevant stakeholders, described in Annex E. CP's will be working in critical landscapes on key commodity and rehabilitation challenges, generating results as well as lessons for wider replication. The CP's will be working as an integral part of the larger FOLUR Program with the support of the Program Management Team, with 2-way interactions and learning happening between country and global levels.

The organization of the **Global K2A Platform** (also referred to as 'the **Platform**' in its short form), and how it is linked to the FOLUR Theory of Change, is shown in Figure 1, which has the following features:

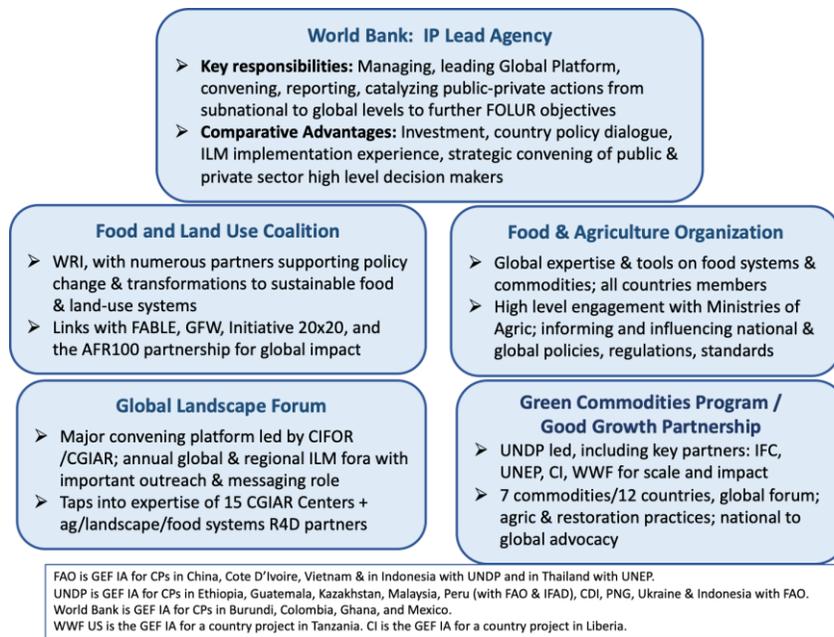
**Program Management, Coordination and M&E (WBG and Core FOLUR Global Coalition Partners)**

FOLUR's Program Management, Coordination and M&E function (hereafter referred to as **Program Management**) of the K2A Global Platform aims at strengthening collaboration among the implementation agencies, participating countries, global coalition partners and the international investment community. Through coordination, convening, capacity building and collaboration, the Program will be able to connect, engage, strengthen and expand a community that can support one another and deliver on project and Program goals. Program management is made up of the Country Projects and their IA partners, and the Program Steering Committee (PSC), with representatives of key global partner FOLUR-related coalitions (see Figures 1 and 2). Figure 1 shows how the FOLUR program components (platform and country projects) connect with each other and with partners and institutions outside of FOLUR to influence global food and commodity system actors (also captured in Figure 2 in Section 5 of PFD).

**Figure 1. FOLUR Global Platform Project Structure: A Knowledge to Action (K2A) Platform (Figure 4 in PFD)**



**Figure 2. Partnership Structure for FOLUR IP Global Platform (see sub-Annex 2 for detailed partner descriptions)**



## The Program Management Team

Program Management will consist of a lean management team based in the World Bank. Senior-level expertise will be needed to deal with the multiple tasks of managing and leveraging the budget; strengthening multiple, large partnerships; designing streamlined and effective monitoring and reporting systems that aggregate results of the child products and capture the value added of the Global K2A Platform; and pursuing innovative communication approaches. Secondments from partner organizations may be explored. Activities in this component will include:

- Managing the core project team, the budget, schedule of events, briefings, regular meetings, reporting
- Assisting CP's in compliance with GEF requirements, e.g., on gender and M&E
- Organizing and coordinating an annual global conference that brings Country Project Implementers together with coalition partners.
- Co-organizing, with coalition partners, targeted sessions at global fora (e.g., GLF), or thematic/regional events that are demand-driven by the child project partners
- Managing a knowledge repository (see KM component below), linked to a programmatic M&E system that identifies common performance indicators, and aggregates child project-level results up to program-level
- Organizing and coordinating regular meetings with donors, Steering Committee, STAP, GEF agencies
- Oversee global communication efforts and coordinate, stimulate the efforts of partners and CPs.

The Program Management Team will be responsible for producing: 1) A Program Results Framework that ensures the M&E reporting to GEFSEC by the Country Project teams is sufficient to track progress of the Program as a whole; 2) An Annual Program Report, with a qualitative review of the Program's progress with a focus on success stories, challenges and knowledge needs; and 3) Program-level reporting from project-level M&E. The Platform will aggregate and share this information in regular reports and global fora. Core indicators of GEF 7 will be incorporated.

**Program Steering Committee:** The coordination role with the implementing agencies and country-based projects will start with the establishment of a Program Steering Committee (PSC). The PSC will play a strategic advisory role, providing technical input on project design, assessing gaps and opportunities for forward planning, helping to coalesce the global coalition actors, and advising on the organization of annual conferences. The PSC will include representatives of the GEF implementing agencies with Country Projects (FAO, CI, UNDP, UNEP, WWF, and the WBG)

and leading external core partner coalitions/organizations representing them, including: 1) Global Landscape Forum/CGIAR (with annual global and regional fora on integrated landscapes, Rainforest Alliance, Food Security Committee; 15 International Agricultural Research Centers); 2) Green Commodities Program (working on 7 commodities in 12 countries) and Good Growth Partnership (with IFC, UNEP, CI, WWF)/UNDP; 3) FAO; and 4) WRI representing several consortia. These partner coalitions and their strengths are described further in Sub-Annex 2.

**Working with, for and through strategic partnerships.** The Platform will be coordinating with and working through other multi-stakeholder initiatives and international agencies as needed based on their comparative advantage and expertise in relation to the challenges that FOLUR and the CPs face. FOLU, GLF, and GGP are core FOLUR partners as coalitions of organizations that deal with sustainable landscapes, production practices and food/commodity value chains. The FAO serves 176 member nations helping to raise the levels of nutrition and the standards of living, improve the production and distribution of food and agricultural products, and improve the condition of the rural population. In accordance with its mandate, FAO provides policy and technical advice to member countries in the fields of agriculture, livestock, fisheries, forestry and nutrition. Through its role and mandate, FAO brings to FOLUR this network of developing countries aiming to promote rural development and strengthen food security, raise agricultural production, improve efficiency in land and water use, and achieve optimum utilization of forestry resources. FAO's engagement as a FOLUR partner is also a means to expand and sustain the global dialogue on food system sustainability, well beyond the life of the FOLUR IP.

The Platform will regularly convene the partner coalitions in work planning, performance reviews and policy fora. Each coalition has a lead agency who will act as the focal point within FOLUR. When the partners determine to engage a specific group or initiative, that contact will be made through the key focal point organization. For example, the GLF representative would serve as the gateway for a request to commission a special study from a CGIAR center. Similarly, WRI would be the first point of contact for proposing knowledge and outreach through the FOLU coalition partners. During the PPG phase, the FOLUR partners will utilize existing venues, such as the roundtable gatherings and annual meetings of the GLF, CCP and other coalitions, as opportunities to consult with key associations and leading firms on the FOLUR design and operating modalities. Feedback from the private sector will be incorporated into the FOLUR design to strengthen the planned activities, making them more tailored and responsive to the expressed needs of the producers and value chain actors. At the CP level, engagement with specific firms and value chain actors is already contemplated and will be further developed, including with consultation, during PPG phase.

The FOLUR **Global K2A Platform** also includes three supporting Pillars, described below.

#### **Pillar A. Program Capacity Strengthening (including cross-cutting analyses, syntheses, lesson-sharing across a FOLUR Community of Practice)**

There is a growing demand for more in-depth and meaningful technical guidance on how best to integrate FOLUR considerations into implementing partner operations and catalyze ambitious interventions in client countries. Linking technical expertise of those that have been working on such issues to operational teams will be essential to address the challenges posed by environmental degradation and climate change. The FOLUR Global Platform is organized to synthesize and provide practical solutions across the agriculture, land and environment sectors to catalyze changes in behavior of farmers, rural communities, commodity buyers and producers, and governments leading to more productive and sustainable food systems. To address these challenges, the Platform will engage global coalition and implementation partners to identify available tools, knowledge products, technical expertise and experience in implementing FOLUR solutions for specific technical issues and geographies and actively engage with Country Projects and partner organizations to improve implementation.

For example, seeing **more integrated, comprehensive land use planning being undertaken at jurisdictional levels**, linked to national levels, will be central to achieving FOLUR's objectives. Here, the Platform could initiate an analysis of current knowledge (from key partner coalitions or elsewhere) that have been working in countries that are successfully implementing integrated landscape-level plans (not necessarily those with CPs) then bring together these experts to share and discuss institutional arrangements, challenges, lessons, and solutions. Practical guidance notes based on such a sharing of 'on-the-ground' lessons by implementation partners will benefit all FOLUR partners, as well as the global community working toward sustainable agriculture and landscape management solutions.

The Platform will share **best practices for incorporating gender considerations** and assist CPs with defining project-specific gender outcomes, actions and indicators. It will develop a FOLUR-wide **gender strategy** as well (that is not just an aggregation of the CP's gender activities). This could include Platform support (e.g. trainings, knowledge products, communication efforts) towards increasing the number of commitments and initiatives aimed at promoting gender equality linked to particular commodity value chains, for example. It could also include actions aimed at filling information gaps related to gender-related challenges and opportunities facing smallholders across the wide range of environments covered by the FOLUR global partnership. FAO, GLF/CGIAR and other strategic partners in FOLUR have considerable gender experience in relation to food systems and restoration, and their involvement in FOLUR's gender strategy development will add considerable value.

The Platform approach builds on the wealth of expertise of the global coalition partners. It will **create and coordinate a FOLUR Community of Practice (COP)**, that *builds on existing coalitions* - for example, the Green Commodities Community (part of GCP/GGP), which already connects and supports GEF commodity projects and non-GEF commodity projects through global webinars and guidance briefings covering key issues on sustainable production, demand and finance and also includes the bi-annual Good Growth Conference. The Platform will co-fund targeted joint initiatives, offering a lean, flexible mechanism to spread knowledge, gather feedback on needs and opportunities and connect expertise to where it is needed. The Platform offers an institutional vantage point from which to provide cross-cutting inputs and lessons to task teams through the project review process, to help coordinate FOLUR activities around the implementing agencies and to interface with external partners to spread knowledge and enable access to the external expertise for operations. Project to project learning will be facilitated.

The Capacity Strengthening Pillar will seek opportunities for **supporting task teams to adapt and share cross-CP knowledge**, utilize existing approaches and tools, and fill knowledge gaps and address challenges that are holding back progress in common areas across countries. (Technical assistance needs specific to Country Projects will be part of their project designs). The platform will aim to provide strategic capacity building and technical assistance for issues that cut across countries or commodity value chains, rather than addressing specific issues unique to one country. For example, this pillar could assist countries in engaging with private sector financing institutions to identify gaps and clear out regulatory barriers and disincentives, e.g., with IFC and UNEP-FI; or support/conduct risk analyses to address private sector concerns and provide financial rationale for scaled up investment.

The Capacity Strengthening Pillar of the Platform will include **activities aimed at leveraging and scaling up FOLUR impacts**. For example, for FOLUR Country Projects implemented by the WBG, linking to and leveraging larger investment projects in agricultural and forest landscapes (this would be facilitated through analysis influencing Country Partnership Frameworks (CPFs), Systematic Country Diagnostics (SCDs), and/or other investment planning exercises and REDD+ readiness interventions). This potential for leverage will greatly enhance the impact of the GEF investment in FOLUR. Other implementing agencies will also be pursuing such leverage opportunities.

Another important role of the Capacity Strengthening Pillar will be to **identify and respond to demand in additional (non-CP) countries for dissemination and use of FOLUR-related analytical and knowledge products and tools**. This work will also aim to identify where new tools, approaches and knowledge are still needed. For example, supporting

a joint analysis of what current tools and approaches exist and are being applied, and the best practices being implemented in a specific value chain and region, and exploring applicability and lessons for other commodities.

The Platform will also support assessments of progress across Country Projects with respect to similar challenges, such as **gender and M&E**. As noted above and in the PFD, the Platform will prepare a Gender Strategy that provides guidance to CPs for gender-responsive activities and how to track gender outcome indicators. Working closely with the global coalition partners will once again be critical. Another example of engaging potentially highly useful technical services from FOLUR partners could be the Platform contracting with expert teams from FABLE (part of the FOLU coalition), a highly technical climate and land use modelling group, on **analyses that link global climate and land use modelling with national-level land use planning efforts** under Country Projects in FABLE countries. Linking such biophysical model results with high resolution poverty maps (to identify climate change-poverty ‘hotspots’ in relation to FOLUR landscape interventions, among other things) are products the WBG, CGIAR and WRI (all global consortium partners) are currently producing together, and this interdisciplinary work will be of great interest to decision makers in FOLUR countries and beyond.

Other illustrative activities with the strategically chosen core global coalition partners under this Pillar include, but are not limited to, the following:

- **Assessment.** At the global level, the FOLU coalition (particularly the FABLE partners) can assess and rank priority food system landscapes based on their transformative potential in terms of global impacts (forest loss, GHGs). Such analytical work could lay the foundation for engagement of specific value chains actors and governments. These analytical partners could also help to model / project the cumulative impact of FOLUR interventions on similar indicators.
- **Technical Assistance.** At country and jurisdictional level, the FOLU partners have a role to play in providing technical assistance to countries seeking to extend/apply FOLUR-related interventions in new landscapes and value chains (within and beyond CPs). FOLU could help in documenting success stories and methods, developing training materials, and providing training with other coalition partners in a range of venues.
- **Global Synthesis.** An example of an influential global synthesis report that FOLUR could promote, update and insert into country and company policy dialogues is WRI’s World Resources Report: Creating a Sustainable Food Future, a landmark paper developed with contributions from the World Bank, UNEP, and UNDP. The paper’s “menu of solutions” offers strategies that can be further operationalized under FOLUR sponsored activities (e.g., how to boost agricultural yields on existing land, improving efficiency of the food system, promoting deforestation-free agriculture commodities, restoring degraded lands back to productivity, and restoring natural forests).
- **Capacity Building.** At country level, WBG and other partners will strengthen landscape management and food/commodity production systems through initiatives (training, evidence, KM, policy engagement, financing) to improve yields and decrease land use requirements; restore forest to rehab crop and rangelands to productive use; train smallholder farmers/extension service in CSA practices; and conserve agrobiodiversity through increased on-farm diversification.
- **Convening.** At the global level, FAO will contribute to the FOLUR mission through its regular global convening of senior agriculture policy makers, its role in the Collaborative Partnership on Forests, as well as its global advocacy work with the One Planet Sustainable Food Systems Program (SFS). In these venues, FAO can showcase FOLUR related analysis, successes, evidence – and invite FOLUR coalition partners to analyze or present on key issues relevant to their comparative advantage. The WBG will also use convening, analysis, policy engagement, demonstration and advocacy to engage with agribusinesses and the food industry to scale best practices and standards in targeted landscapes/food systems. This will build on existing client relationships, global platforms and dissemination of analytical products and tools.
- **Policy Engagement.** GGP will support policy advocacy through its national and subnational partnerships with governments in the key commodity sectors where it is specialized. FAO will engage with ministerial counterparts and other local stakeholders to assess and improve policy enabling environments for sustainable food production through policy reform, development of regulations and standards, testing of economic incentives, and other interventions based on their long experience and country knowledge. FAO

can also work with countries to convene multi-stakeholder dialogues on issues of land use, policy, incentives, as well as governance issues related to inclusion and rights of local communities, indigenous peoples, and women.

- Food System Standards. Building on experience with Codex Alimentarius (with FAO's Biodiversity Platform, WWF, etc), FAO could support a consultative process to initiate a 'Codex Planetarius,' a proposed set of minimum environmental standards to inform global food trade.

#### Pillar B: Policy and Value Chain Engagement

This Pillar is aimed at helping to **catalyze food and environmental system policy changes** in FOLUR countries and in global food systems and value chains – to advocate for new national and subnational policies leading to more sustainable, more productive, and climate-smart food systems. Partnerships with the Good Growth Partnership, FAO and the Food and Land Use Coalition, for example, will allow FOLUR and the CPs to link government policymakers with private sector value chain actors and financial institutions that can support scaled up implementation of new policies, global standards and wider investment in landscape restoration. Outreach will aim at the organizations and institutions most able to adopt and replicate these lessons more widely across a region, sector or value chain, and to ensure that improved practices and policies are adopted beyond CPs.

For example, this Pillar can assist in **encouraging authorities and lead ministries from countries to engage with commercial financial institutions** on addressing key FOLUR priorities. Increasing access to finance for landscape interventions and greener supply chains will involve streamlining procedures, undertaking risk analyses, removing barriers of access, or demonstrating the 'business case' for local lending for landscape or value chain improvements. This pillar could also highlight successful approaches for ensuring that domestic banks and lenders exercise due diligence with respect to environmental rules and screening clients for environmental and sustainability issues. These types of engagements with commercial lenders can be supported across all child projects through training programs, guidance materials, fact sheets on successes from other countries and convening targeted learning exchanges.

The Pillar can also **assist countries to engage with global markets** for targeted commodities and food crops **in an efficient and coordinated manner**. While each country project will have its own component to support supply chains, it will be inefficient and confusing for leading multi-nationals such as Unilever, Nestle and Mars to be approached on multiple fronts by various FOLUR countries. Through existing coalitions such as the GCP & GGP, support to existing partnerships with the global companies and industry groups (e.g., Consumer Goods Forum), this pillar will aim to strengthen coordination and linkages down to the countries and country teams. Support will also be provided through initiatives such as GCP & GGP to deliver guidance needed for companies to strengthen their procurement commitments for deforestation-free commodities and to advance options to engage beyond their supply chains at landscape and national levels.

Moving upstream in the financial sector, **FOLUR Platform Partners such as WB and IFC can assist project authorities and lead ministries to engage with the country's financial sector regulators**, usually the Ministry of Finance or the Central Bank. This engagement will increase understanding of the use and application of financial regulations to improve incentives, decrease barriers, and reinforce environmental rules (e.g., banks should know their customers, practice environmental due diligence, and not finance activities on a negative list). Ministries of Trade will also be a useful partner in terms of ensuring that export rules, safety standards, and other requirements are compatible with greening supply chains, reducing barriers and correcting the environmental degradation associated with poor

practices. FOLUR global coalition partners can assist by analyzing gaps, providing sound examples, establishing networks, and engaging in high level policy dialogue with key authorities. Joint activities under this Pillar could include, for example:

- Sustainability Commitments. The Good Growth Platform will contribute to the FOLUR mission by continuing its ongoing support for dialogue on sustainability commitments from multinational companies and major government procurers and working with partners on the approaches needed to operationalize these commitments through standards and practices at the production level. This will involve demonstrating the value proposition for sustainability standards based on case studies and demonstrations from existing engagements on palm, beef and soy.
- Build Evidence / Business Case. GGP, WBG, FOLU members and others can develop lessons and evidence (analyze, synthesize, and disseminate) from specific practices and commodities on the ground and contribute these to global fora and public-private sector dialogues (for example, including TFA 2020, Consumer Goods Forum and NYDF) where major traders, processors, and retailers of commodities convene to address challenges in meeting deforestation-free pledges and other sustainability commitments. This will help to spread awareness to other landscapes and commodities, going beyond the current GGP and FOLUR set of countries and commodities.
- Mobilize Private Finance. FOLU and its lead, WRI, can also leverage relationships with impact investors, banks, companies to promote the deployment of private capital into FOLUR IP landscapes and beyond, building on existing success in bringing impact investors to restoration and sustainable land-use projects. Activities could include working with FOLUR partners to identify new investors, developing outreach strategies to commodity supply chain actors and existing lenders, convening restoration investment roundtables and matching investors with financing opportunities in FOLUR landscapes.
- Global synthesis and advocacy. The WBG will convene global business leaders and commodity sector trade associations. WBG will develop and target information on the business case for sustainable production practices at farm, country, firm, and commodity level. These engagements can be mediated directly with countries and companies and highlighted through other global platforms such as GLF and GGP. Another potential added value is to analyze and report on sustainable commodity trade flows and trends in a regular global 'flagship report' on the sustainable commodity trade and deforestation free commitments (see also Pillar 1 discussion).
- Regional / commodity engagement. The WBG and other partners will convene regional gatherings of countries around specific commodity / landscape themes to showcase success stories to encourage replication of good practices, uptake of policy reforms, and wider spread of sustainability standards by buying and processing firms. This type of engagement can also be amplified by working with CGIAR centers focused on rice, wheat, corn, livestock, forests and agroforests to ensure that best research on sustainable production practices, including the economic/financial rationale for adoption. FOLUR will work through GLF and commission specific synthesis efforts to consolidate and disseminate learning for delivery into global dialogue processes through the platform partners, particularly FOLUR, GLF, and GCP.
- Commodity Roundtables. The WBG, FOLU, FAO and other partners will contribute as members of sustainability roundtables for beef, soy, palm, and rice (SRP), generating and sharing knowledge about successful applications of sustainability standards and technologies.
- Operationalizing corporate sustainability standards. The WBG brings to the FOLUR platform deep expertise and practical experience in operationalizing sustainability standards and criteria into production systems, working with both producers and purchasing companies. Cocoa producing companies and countries have made "deforestation free" commitments, for example, but these commitments can only be realized by developing standards and criteria for assessing production practices and then rolling these out in cocoa production landscapes, providing extension and technical assistance to farmers. The Government and the Companies have developed CFI Implementation Plans with help from WCF, IDH, Climate Focus, FCPF and the World Bank.

- Traceability systems / Geographic assessments. Companies and countries that adopt standards or make pledges to protect biodiversity or reduce deforestation also need a range of technical products and technologies to monitor and report on their performance. The WBG and FOLU partners have capacity to work with producer organizations to improve understanding of the geographic distribution of their members, producing from different landscapes and habitats, some with higher risk of deforestation. To achieve certification or to meet buyers' sustainability standards, producer organizations may need HCVF/biodiversity mapping, registration of farmers, and product traceability systems to identify sourcing from different landscapes or high-risk areas.
- Leveraging WBG financing and financing models. Building on the WBG's commitments to increase financing for climate smart and forest smart investments, under FOLUR, experts can provide technical support and analysis to encourage the uptake and deployment of commodity sustainability standards and best practices in WBG lending projects (in and beyond FOLUR countries). For best impact, teams will engage in upstream agriculture / landscape development dialogue in selected countries to accelerate uptake of key policies and production standards (replicating horizontally across countries). In this way, FOLUR could focus on key commodities and countries and accelerate the leveraging of investment (consistent with WBG priorities and strategies). The WBG will also work to apply and spread the use of innovative models that can be advocated and replicated through FOLUR engagements, where conditions are right. For example, IFC's Global Trade Supplier Finance (GTSF) Program provides short-term financing to suppliers selling to large domestic buyers or exporting to international buyers, by discounting invoices once they are approved by the buyer. GTSF financing can be linked to suppliers' environmental and social scorings, as determined by the buyer, and provide financial incentives to suppliers for improvement by implementing differentiated pricing based on the level of ESG achievement.
- Policy Reform Support. The FOLUR platform will identify and pursue opportunities for national government reforms of policy and regulation that facilitate uptake of sustainable practices, sustainable sourcing. Both WBG and FAO are well equipped to play key roles in targeting policy reforms that can be focused in areas where there are opportunities and bottlenecks. FAO is well placed to share lessons across countries through its regular dialogue with Agriculture ministers. It can also help mainstream FOLUR goals and approaches into the Committee on World Food Security (CFS) voluntary guidelines for food systems and nutrition and FAO policy support to member countries and assist them in implementing the CFS Principles for Responsible Investment in Agriculture and Food Systems (CFS-RAI). The WBG is well placed to identify and target specific policy reform needs in key countries through Systematic Country Diagnostics and its Country Partnership Frameworks. Target countries will be identified in consultation among the partners to ensure prioritization and harmonized approaches across each partner's expertise.

#### Pillar C. Knowledge Management (KM) and Strategic Communication

To effectively catalyze knowledge into innovative actions that improve the efficiency, effectiveness and equity of targeted value chains, the Program stakeholders require easy and timely access to relevant knowledge. The knowledge management component of the global coordination project aims **to scale up best practices, leverage lessons learned from South-South exchanges, and drive innovation by promoting K2A principles and approaches.**

Global coalition partners such as GGP, FOLU, GLF, and FAO have a wealth of FOLUR-related knowledge. The FOLUR IP will use existing platforms wherever possible to avoid replicating what is already available.

**Capturing, collating and sharing knowledge that is in demand by the project teams will be key** to this activity. It will focus on best practices and lessons learned by the coalition partners and others. A **communications strategy** (see below) for the Program will be developed that focuses on strategic and innovative communication efforts through a wide range of channels, including virtual and in-person events, technical publications, videos, social media, and online feature stories. The goal will be to add value to individual CP outputs by producing products that aggregate results and lessons and relate them to audiences beyond FOLUR.

The KM Process will include surveys, events, synthesizing lessons, case studies, analytical studies, tools, and publications shared through existing dissemination venues and networks. The Platform will also co-sponsor with global coalition partners targeted study tours/South-South exchange visits, side events, panel discussions at prominent conferences (e.g., GLF, FOLU, GCP/GGP global and regional events, CBD, UNFCCC, TFA, UN Climate Week) to engage different audiences, highlight FOLUR knowledge products, and raise the profile of the Program.

**Knowledge-sharing Platform.** The Program will support and strengthen an existing website and online platform to store, aggregate (e.g., for Program M&E) and share as appropriate the data and resources generated by FOLUR and its partners. These will include PowerPoints, videos from events, research papers and publications. The medium-term aims include: (i) interdisciplinary work on integrated landscape planning approaches becomes the norm, and cross-sector collaboration increases; (ii) well-functioning networks and subnetworks that work on integrating agricultural and environmental issues (taking a landscape approach) are established and strengthened; (iii) the importance of integrated landscape management planning and inclusive commodity value chain approaches has moved up and across the agendas and sectors of governments and public discourse on these topics has changed; and (vii) effective integrated landscape management is being practiced in and beyond FOLUR countries.

**Communications.** A Communications Strategy will be developed, as innovative communication efforts will be central to the Global K2A Platform and for the overall Program's impact. The aim is to raise awareness about landscape initiatives that are transforming food and land use systems and to inspire national governments and the global community to engage and invest more in collaborative efforts that are implementing integrated landscape management systems and scaling up land restoration efforts. Another goal of the communications effort is to increase exposure of national project activities and successes (and challenges) to raise awareness and facilitate future new partnerships that increase the reach of the Program. The Program will reach out to a range of stakeholders through digital platforms such as the Program webpage, social media channels, and email distribution list. The communication products will include blogs and feature stories, videos, newsletters, event press releases, conference reports, and project profiles. Efforts will be made to feature developing country perspectives and voices in these communication materials and venues.

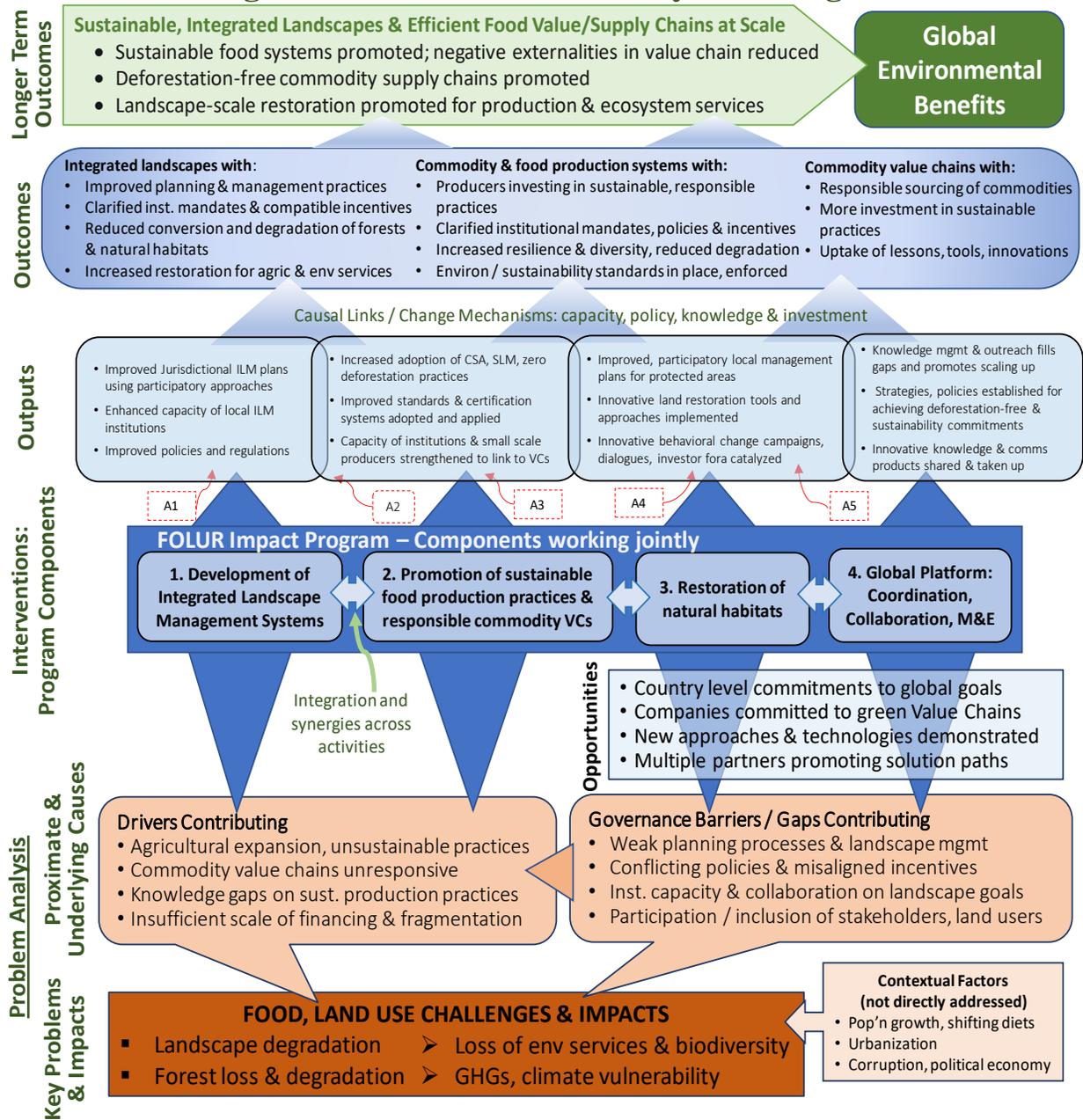
The roles of FOLUR partner organizations under this Pillar will include the following types of actions and approaches:

- Sharing of lessons and best practices. The platform will promote sharing of lessons, successes and best practices – both from CPs and from IA partners. This knowledge will be available on a website maintained by an appropriate FOLUR partner, or several through mirrored websites. Both FAO and GLF (through the CGIAR network) have strong capabilities in knowledge management and dissemination. All FOLUR partners will be tasked with regularly producing knowledge products (analyses, syntheses, guidelines) in their areas of expertise.
- Strategic knowledge products. The Platform (in consultation with partners) will commission global and regional flagship reports on key topics identified through the dialogue processes and annual gatherings. These KM studies will be commissioned primarily from within the FOLUR partner organizations, according to their expertise and comparative advantage. For example, FAO and WRI could produce an analysis of forest cover change based on its FRA, disaggregated regionally and by commodity group. GGP could, for example, produce a global report on financing needs for improved practices or certification in key commodity landscapes, based on its engagements with value chain actors.

- Partnership Broker/Clearinghouse. The platform will serve as a conduit for linking child projects to strategic partnerships with global initiatives to access knowledge, tools and resources by facilitating participation in sector roundtables, industry associations conferences, and partner events. This will be managed through a calendar of events and a clearinghouse of country requests and partner capacities. The brokering will work both from the countries (their requests) and to the countries (identifying opportunities and invitations). It will also identify buyers committed to sustainable sourcing of ag/commodities and link them to jurisdictions /countries /landscapes that are working to reduce production footprints and protecting natural habitats and HCV areas. In addition to the WBG, GGP and the FOLU network of partners will play a strong role in this brokering function. This could be developed into an online platform where requests and opportunities are lodged, and matches are developed and facilitated. This will require strong coordination among all FOLUR partners to ensure that matches are supported with the right expertise and resources.
- Platform of Coalitions. The FOLUR platform creates a space to engage and support existing partnerships and coalitions working on landscape and food system sustainability issues. The FOLU Coalition is a key FOLUR partner and, through WRI, brings with it connections to a range of other partnerships and links to the work of Initiative 20x20, and initiative of countries, technical and financial partners working on landscape restoration and degradation issues and mobilizing financing in Latin America; AFR100, which similarly convenes 28 countries in Africa, with technical and financial partners to mobilize private equity for investment into restoration activities. The Food, Agriculture, Biodiversity, Land, and Energy (FABLE) Network is also part of the FOLU Coalition and can be engaged strategically on developing pathways towards sustainable land use and food systems. Activities could include bringing these partners together in support of FOLUR objectives, fostering learning exchanges in FOLUR IP project landscapes, leveraging the annual partner meetings of these platforms, and facilitating private sector involvement by engaging impact investors of Initiative 20x20 and AFR100, large commodity producers and others to engage with FOLUR countries and commodities and beyond.
- Scale up and replication. The engagement approaches of GGP will be replicated and scaled out to address additional target commodity /landscape building on the skills and partnerships of other FOLUR coalition partners. Convening and KM. GGP will promote FOLUR results and successes in its annual partnership meeting and make space for presentation by country programs on results and successes of their FOLUR related results and successes.
- Annual FOLUR Gathering. The World Bank as lead agency will oversee KM activities and support partner organizations' efforts. The WB will convene regular SC meetings and knowledge sharing events. We propose to bring FOLUR partner countries together annually in an event linked to ongoing global partners' platforms, such as the GLF or GGP, which would enable wider engagement and learning among countries and partners. This event would be scheduled in different commodity /regions over the years, with a concrete plan developed during PPG.

Sub-Annex 1. FOLUR Theory of Change

Figure 1: FOLUR IP – Theory of Change



## Sub-Annex 2. Core coalition/organization partners for FOLUR

Many global initiatives and coalitions touch upon aspects of FOLUR. FOLUR's partnership strategy is to work with a 'core' group of coalitions and organizations that cover most of the key land use, food system, and restoration themes. Four core partner groups are gathered in the FOLUR program, with the World Bank<sup>61</sup> as lead agency.

### 1. FAO

FAO, its country teams working with governments all over the world, together with its partnerships in numerous relevant global consortia, will be a key ally in efforts aimed at improving the enabling environment for sustainable food production through support for reform of policy, regulation & standards, and identification of economic incentives. Working closely with FAO and its government partners will be particularly important with respect to achieving FOLUR's desired national policy-related outcomes.

Together with FAO and others, the Platform will convene multi-stakeholder dialogues to ensure involvement of local governments, local communities, indigenous peoples, and women on land use decisions. In particular, in terms of policy settings, countries participating in the Program are also the members of committee of agriculture for FAO. Linking with FAO will enable the Platform to also take advantage of other global and technical committees where FAO is a member, with respect to food systems policy setting, sustainable food systems and commodity value chains, restoration and sustainable land management policies. FAO has convening power, access to key agriculture sector decision-makers and policy influence throughout the world, e.g. via the Committee on World Food Security (127 member countries), the bi-annual global FAO conference where Ministers of Agriculture and technical agriculture, forestry, fisheries and commodities convene, and various biodiversity-related platforms, treaties and conventions.

FAO can also provide technical support, tools and knowledge contributing to the implementation and delivery of the program, both globally and in Country Projects. To develop tailored tools, practices and approaches that meet the demand of the Country Project teams, FAO has an extensive system of capacity building on the ground through a variety of programs and delivery mechanisms. Diagnostic tools such as the land degradation assessment, sustainable food value chains and others may assist Country Projects to design and implement transformative projects. FAO has also designed indicators against the 21 SDG goals that will aid the knowledge management and monitoring components of the Program. FAO have considerable experience in defining, measuring, monitoring and building capacity around how we assess sustainable food and agriculture in all the commodities and food systems covered in the Program. FAO is also the GEF IA for country projects in China, Cote D'Ivoire, Vietnam and is in partnership in Indonesia with UNDP and in Thailand with UNEP.

### 2. Global Landscapes Forum/CGIAR

The Global Landscapes Forum involves all 15 international agricultural research centers working globally on FOLUR's priority commodities. A CG-wide program called Forest, Trees and Agroforestry, for example, is a program with a lot to offer FOLUR, as they work on coffee, cocoa, palm, non-traditional forest products, agroforestry and sustainable landscape management practices in the Child Project countries. CIMMYT, CIAT and IRRI are working on improved wheat, maize and rice varieties and 'climate smart' agricultural practices that will be key for several Child Country

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<sup>61</sup> World Bank is the GEF IA for country projects in Burundi, Colombia, Ghana, and Mexico. WWF US is the GEF IA for a country project in Tanzania. CI is the GEF IA for a country project in Liberia.

Projects. IFPRI hosts a CGIAR-wide program sharing the latest knowledge on sustainable food system policies, institutions and markets, that will be highly relevant for Country Project teams. With GLF as the entry point, the Program will be able to access these knowledge resources and wider partnerships.

The GLF has great potential to contribute to the program as the largest global forum on integrated land use. Topics covered align with FOLUR, including food systems, landscape registration and approaches, and landscape and finance. Other FOLUR core partners are also charter members of GLF (GEF, World Bank, etc.) GLF supports certification programs, rainforest alliance efforts, and the global Food Security Committee actions that impact 225M people. GLF reaches 250M people globally through various media. GLF was set up as a neutral platform to lead all the restoration initiatives in the world. It will play a major role in the UN's Decade of Ecosystem Restoration 2021 – 2030 Initiative that was recently launched. GLF and its lead agency CIFOR host an annual Global Landscape Forum in Bonn, and regular regional events, e.g., focusing on restoration and gender in Nairobi in 2018 and on restoration and rights, supply chains, oil palm and other commodities in Ghana in 2019. As an outreach learning and convening platform, GLF's digital communication system and outreach expertise can move very quickly and reach millions. We envision building a FOLUR annual partner meeting onto a GLF event (as a side or following event) that reaches tens of thousands of people interested in FOLUR topics. FLG could also lead in regional commodity-focused events.

### **3. Green Commodities Programme/Good Growth Partnership/UNDP**

UNDP's Green Commodities Programme (GCP, which has funding from GEF) works with many actors on reforming policies, practices, institutional arrangements and standards in support sustainable commodities sectors/value chains (palm oil, beef, soy, pineapple and fisheries, in 12 countries). Private sector engagement is central to the GCP, which is very strategic for FOLUR, along with its value chain expertise for several priority commodities.

UNDP/GCP leads the Good Growth Partnership (GGP), funded by GEF and implemented in collaboration with Conservation International, the International Finance Corporation, UNEP and WWF. Launched in 2017, GGP focuses on the root causes that lead to deforestation, environmental degradation and unsustainable production on commodity supply chains. Working across production, financing and demand, the Good Growth Partnership convenes a wide range of stakeholders and initiatives to reduce deforestation and enable sustainable development in three FOLUR-targeted global commodity supply chains: soy, beef and palm oil. In partnership with the governments of Brazil, Indonesia, Liberia and Paraguay, as well as civil society and major private sector players, it aims to place sustainability at the heart of commodity supply chains.

GGP holds an annual global *Good Growth Conference* for the sustainable commodity sector. The GGP initiative has various child projects focused on sustainable production, responsible demand, and sustainable financial transactions throughout supply chains, with strong community involvement and practices. Of particular interest to the FOLUR program, the GGP, with the leadership of IFC, is greening the investment /banking sector. They are also working on credits to farmers, supporting a global community of practice on this.

Also key for FOLUR will be UNDP's strong relationships with private companies and associated coalitions committed to eradicating deforestation from the beef, palm oil, and soy supply chains. These include the Tropical Forest Alliance 2020 (TFA), the World Business Council for Sustainable Development (WBCSD), the Consumer Goods Forum, International Coffee Organization, Roundtable on Sustainable Palm Oil (RSPO), Roundtable for Responsible Soy

(RTRS), and the bi-lateral funders, including the Swiss Government, the Federal Ministry for Economic Cooperation and Development of Germany (BMZ), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Department for International Development of the United Kingdom (DfID), and Greenfund.

UNDP has a community-level focus and experience that can also benefit the FOLUR Program, with 150 members across 12 commodity-producing countries and 30+ organizations participating with communities on FOLUR issues. UNDP is also the GEF IA for country projects in Ethiopia, Guatemala, Kazakhstan, Malaysia, Peru (with FAO and IFAD), PNG, Ukraine and Indonesia with FAO. UNEP is the GEF IA for the country project in Thailand (with FAO).

#### **4. FOLU Coalition/WRI/FABLE/Global Forest Watch/Regional FLR Coalitions**

The Food and Land Use Coalition (FOLU) is a public-private partnership co-created by WRI. The FOLU Coalition emerged from the New Climate Economy (also run by WRI) and the Business and Sustainable Development Coalition (run by SystemIQ), with the goal of transforming food and land-use systems to more sustainable practices. WRI also engages with the Food, Agriculture, Biodiversity, Land, and Energy (FABLE) Network through the FOLU Coalition. The Network seeks to develop consistent global and national pathways towards sustainable land use and food systems by 2050. FABLE is operational in a number of GEF priority countries and GP engagement with them (e.g. commissioning targeted, CP cross-cutting analytical efforts) will help ensure that FOLUR results aggregated for the target sectors at national and sub-national levels are consistent with and contribute to planetary boundary and other transboundary targets.

WRI can provide FOLUR with targeted technical assistance, foster peer-to-peer connections and learning exchanges in FOLUR Country Project landscapes and facilitate private sector involvement by engaging impact investors through several synergistic initiatives. They convene the Global Forest Watch (GFW) partnership, an online platform that provides data and tools for monitoring forests, allowing anyone to access near real-time information about where and how forests are changing around the world. WRI is the secretariat of the GFW partnership, which brings together leading technology companies, government ministries, global commodity producers and other large companies, civil society and NGOs. GFW brings land use monitoring capabilities.

Tapping into regional coalitions co-managed by WRI such as Initiative 20x20 will help FOLUR achieve its desired outcomes. This partnership convenes 17 countries from Chile to Mexico, more than 40 technical partners (e.g., CIAT, CATIE, ICRAF, FAO, local NGOs and more), and more than 20 private sector financial partners to change the dynamics of land degradation in Latin America and the Caribbean. Partner countries have committed to restoring 53.2Mha, and impact investors have earmarked US\$2.6 billion in private equity for investment into restoration activities. Nearly US\$400 million has already been invested in projects on the ground.

Similarly, WRI is a managing partner of the AFR100 partnership, convening 28 countries in Africa, 27 technical partners (e.g., FAO, NEPAD, ICRAF, World Bank, local NGOs and more), and 12 financial partners to bring 100 million hectares of land in Africa into restoration by 2030. Countries have committed to restore a combined 112.2Mha of degraded land, and impact investors have earmarked US\$481 million in private equity for investment into restoration activities. The World Bank has committed US\$1 billion in development finance to the effort.

At the global level, the WBG and WRI are working together in the New Climate Economy, a Global Commission designed to provide evidence on the relationship between strengthening economic performance and reducing the risk of climate change. WRI will leverage NCE's Global Commission to ensure FOLUR messaging is included in the highest-level dialogues, where the CEO of the World Bank is represented.

### Sub-Annex 3. Results Framework for the FOLUR Global Platform

Component	Type	Outcomes and outcome indicators	Output indicators (for appraisal)
<b>GLOBAL LEVEL RESULTS</b>			
1. Engage global forums and communities of practice	TA	Reduced conversion and degradation of forests and natural habitats	# of FOLUR partners implementing restoration actions
2. Influence global value chains and markets	TA	Commodity value chains pursuing responsible & deforestation free sourcing/Supply chains	# of private sector companies sourcing commodities according to responsibility standards
3. Attract international financing sources and promote standards	TA	Increased public & private investments in sustainable ILM practices & commodity VCs	# of companies, banks making new investments in responsibly-sourced, sustainable commodity value chains
4. Influence domestic value chains and markets	TA	Increase in numbers of FOLUR commodity producers investing in sustainable, responsible practices	Ha of FOLUR commodities under sustainable management practices, following ILM planning
<b>COUNTRY PROJECT (CP) RESULTS</b>			
1. Program Capacity Strengthening: Strengthening capacity of country teams, partners, and implementers to undertake inclusive ILM planning and manage landscapes and commodity value chains sustainably	TA	<p>Country project teams and government counterparts actively participating in global and regional forums on sustainable supply and value chains</p> <p>CP innovations and knowledge informing new policies and practices at regional and global level</p> <p>Best global FOLUR practices, standards adopted in CP regions, countries</p> <p>Country teams' capacity strengthened on cross-cutting issues such as tenure security, institutional capacity, private sector engagement, gender, climate change.</p> <p>FOLUR impacts leveraged and scaled-up through links with implementing agencies' existing programs, knowledge and expertise</p> <p><u>Outcome Indicators</u>                      (i) No. of CPs rating program management at satisfactory or above                      (ii) No. of new policies, strategies, citing FOLUR or using FOLUR tools in CP countries</p>	<p># of government counterparts and CP team members participating in global and regional forums and workshops (% female) e.g. GLF, CGIAR, Good Growth Platform</p> <p>% of CPs receiving Platform support at decision/quality review stage; at implementation stage; at MTR stage</p> <p># of sub-sectoral solutions and guidance notes on FOLUR mainstreaming developed</p> <p># of participants trained on FOLUR best practices; cross-cutting issues (and % female)</p> <p># of non-CP countries engaging with FOLUR on new initiatives/ partnerships</p> <p># inclusive, participatory ILM plans developed</p>
2. Policy and Value Chain Engagement: Influencing change in policies, behavior and standards supporting sustainable commodity supply and value chains	TA	<p>Public-private dialogues on sustainable commodity supply and value chains catalyzed by FOLUR Community of Practice and using FOLUR guides, tools</p> <p>Subnational/national/ regional commodity value chain policies, certifications, standards informed by FOLUR CPs</p> <p>Cross-CP stakeholder efforts promoting new approaches for environmental screening and due diligence for compliance/ sustainability standards of financial institutions and private sector actors</p> <p>Cross-CP convening of lead ministries and trade &amp; safety regulatory authorities with</p>	<p># of public-private, multi-stakeholder dialogues and forums convened with FOLUR partners</p> <p># of diagnostic assessments of value chain policy barriers and opportunities undertaken</p> <p># of stakeholder forums convened with impact investors (e.g. of Initiative 20x20; AFR100) with CPs, e.g. with WB, IFC, GGP/GCP/UNDP and Green Fund</p> <p># of global, regional, national and subnational FOLUR commodity chain policies, standards, etc influenced or informed by/using FOLUR products</p>

		<p>finance institutions, buyers, processors and producers, to ensure export rules, safety standards, are compatible with green supply chains, removing barriers and reducing environmental degradation</p> <p>Cross-Country diagnostic analyses catalyzed, identifying policy interventions and levers along FOLUR value chains</p> <p><u>Outcome Indicators:</u>  (i) # of subnational /national/regional commodity value chain policies, certifications, standards informed by FOLUR CPs  (ii) # of private sector actors or coalitions, commodity value chain events, documents, press releases, etc. citing/using FOLUR products</p>	<p># of new public-private partnerships developed with FOLUR Community of Practice members, coalition partners</p>
3. Strategic Knowledge Management and Communication	TA	<p>Best practices, lessons learned, South-south exchanges and innovations promoted through a Knowledge-to-Action approach, and adopted/used in CP countries</p> <p>Expanded, inclusive FOLUR Community of Practice (COP) with academia, civil society, non-CP countries, private sector, established with on-line presence, updates and regular meetings sharing cross-country knowledge and experiences</p> <p>With COP &amp; coalition partners, targeted ILM/responsible commodity VC sessions held at global fora (e.g., GLF), and thematic/ regional events that are demand-driven held</p> <p><u>Outcome Indicators:</u>  (i) GLF and other global events promoting FOLUR  (ii) CP country documents, events, press promoting FOLUR</p>	<p># diagnostic, analytical, synthesis, communication products and tools for scaling up action promoted by FOLUR Platform</p> <p># of participants (% female) in FOLUR-facilitated KM events, annual meeting, South- South exchanges, GLF, etc</p> <p># members (% female) of FOLUR COP</p>
4. Program Coordination and M&E Results	TA	<p>CP results aggregated and reported at Program level</p> <p>Program results framework implemented in monitoring of project quality</p> <p>CP outcomes and stories reported at Program level and disseminated widely</p> <p>CP gender outcomes and stories reported at Program level and disseminated widely</p> <p>Contracting, budgets, spending tracked</p>	<p>Web-based GEF tracking tool adopted by projects</p> <p>M&amp;E manual developed; training sessions conducted; M&amp;E reports published (at baseline, mid-term)</p> <p>FOLUR Program results framework and ToC</p> <p>Annual Program Report</p> <p>FOLUR Communications strategy document</p> <p>FOLUR Gender strategy document</p> <p>Periodic budget, spending updates</p>