

Fiji Advanced Draft ERPD CFP Comments

Overall Comments

- We recognize the significant effort you have taken in compiling the impressive ERPD. We acknowledge the significance of the program to Fiji's forests, and the resulting rationale for the program's design (including in the context of other national plans and strategies such as the Low Emission Development Strategy – LEDS, as well as your NDC).
- Further, we congratulate you on undertaking the substantial additional work to complete annual land use change activity data along with a full set of maps compared to the December 2018 version of the ERPD.
- In addition to the comments and questions below, please carefully consider the comments from the TAP, in particular those criteria rated a 'No'. A response to the recommendations from the TAP would also be appreciated.

Level of Ambition

- Can you please explain the impact and rationale in reducing the amount of funding you are seeking from \$110m down to \$40m (a change from the last version to this noted by the TAP)?
- Is it feasible to include all of Fiji's land area in the future (noting the number of small islands)?
- We welcome the role of the private sector in the activities and therefore costs (extra planting etc.), but please address the concerns raised by the TAP regarding the incentives for their participation.
 - o Please explain how the private sector will be involved in implementation and the relationship of the private sector with the other implementation stakeholders (government and others), as noted by the TAP with reference to p85?
- Please explain more about the current approach (to exclude) mangrove forests, which account for 5% of your forest area, as well as your intentions/plans in the future.

Carbon Accounting

- Please explain more about the existing REDD+ projects and how they will be integrated into the program area, and how you will ensure no double counting (note this links to the Carbon Registry text on page 182).
 - o Please also provide additional information on the timelines for the programs and whether there is any possibility of other projects comments in the future.
- The TAP states the uncertainty analyses has not yet been performed. Has it been yet, if not when will it be? The Table on p.132 mentions confidence intervals but it is not explained how those were derived.
- Regarding nesting of projects, the TAP has raised this issue. In Annex 9.2 of the ERPD the different options are described, and it would be useful to get an update on Fiji's thinking around the options and timing of a decision.
 - o Linked to this, it would be useful to know whether more projects than the ones described are planned within the jurisdiction between now and the end of the ERPA period.
 - o In addition, the annex states that no carbon credit transactions were made by either project during the Reference Period. Are carbon credit transactions expected during the monitoring/ERPA period? If not, and if no additional projects are expected, have Fiji

considered including the projects in the benefit sharing plans rather than issuing carbon credits? This would resolve the issue of aligning the scope of the pools and gases between projects and the national system.

- The sections on carbon accounting (including the annex) could be more detailed especially in regards to how activity data was analysed and how methodologies evolved. It is currently difficult to assess the how the REL was derived. It would also be helpful to get more information on how the “old” and “new” approach differ in terms of uncertainty and processes. Please explain why there are such significant differences and how it is ensured that it’s not an overestimation of deforestation in the reference period.
- The TAP and the ERPD have different numbers for emissions from the different activities – the TAP states “TAP ESTIMATION OF TOTAL” (p.9/10) and gets to different figures than table 12.3. (p.132). Could you please explain where the differences are and why there is a separate calculation?
- Can you explain why Fiji chose a forest definition threshold of 10%? Given the dominant forest types, this seems low – and can the monitoring system distinguish this threshold from 20% or 30% crown cover?
- Degradation is currently only measured via the proxy of extracted timber and there is no distinction in emission factors for intact and degraded forest. How do you rate the risk of intact forest being degraded but not deforested and these emissions not being captured? Or the other way round of overstating the EF when degraded forest is deforested (is this captured in the NFI methodology)?

Safeguards

- ESMF in preparation – what is the anticipated timing?
- Please tell us more about the Gender Action Plan.
- The ERPD suggests you are well placed to prepare an appropriate and effective Benefit Sharing Plan, but the TAP concluded Criteria 33.1 wasn’t met. Please respond.
- Regarding non-monetary benefits analysis – were the benefits identified as part of the stakeholder engagement process you have completed?
- The safeguard section is quite hard to follow. The relevant safeguards, risk and mitigation activities are presented in different tables and different section of the documents so it is hard to make the link of which risks are associated with each WB safeguard and how will they be mitigated. Most of the information is already there but it would be helpful to reorganise and make the links more explicit.
- Please provide further clarification regarding how the program plans to address the challenges associated with having a dual structure of both traditional and conventional administration systems with regards to land tenure?
 - o Please clarify how the ERP intends to address the concern raised during the stakeholder interviews that customary rights are inconsistently treated under current leasing regimes (Table 5-3, p81), particularly given that the majority of the ERP area is on customary land

Sustainable Program Design

- The financial breakdown of the program is broadly clear (Tables 6.1 and 6.2 p89-90). Can you provide any further details and assurances on the sources of finance (e.g. Government budget processes, status of the GEF Financing, any agreements in place with the private sector)?
 - o The section on the program budget notes the cooperative relationship with forestry companies, does this mean part of the costs for afforestation and reforestation will be

borne by the government, and the rest by the companies (which as you note is largely a reinvestment from cash flows)?

- Further disaggregation of sources of financing and the activities they would fund be beneficial. For example it would be useful to know how the \$8.4m private sector financing will be shared across the Component 2 activities. This could be achieved by including the funding source in the estimated budget tables in each of the 'Intervention Technical Notes'
- It is anticipated that \$6.5m will come from international financing sources, however this has not been confirmed. Currently \$3.76m from the GEF is earmarked for investments exclusively in restoration of degraded forests and enhanced carbon stocks. If this funding does not transpire these activities will not be funded, which would impact the amount of carbon saved by the programme and thus the number of ER's available to purchase. A fall in the number of credits available would lead to an even greater funding shortfall for the project. As a result, it would be beneficial to know whether the domestic or private sector has the capacity to fill any potential shortfall caused by a lack of international finance
- Can you elaborate on the stakeholder engagement processes carried out for the ER-program design?
- The description of actions and interventions to be implemented under the ERP are clearly set out and explicitly include the key indicators and expected outcomes for each of the activities. Moreover, the clear and concise theory of change really aids the understanding of the ERP.
- The Fiji ERP is planned to be implemented at sub-national scale first and the size of implementation area will expand gradually to include more communities (page 21). This approach could allow adaptive implementation with lessons learned from early activities incorporated into national scale implementation.
 - Could Fiji consider what needs to be done in order to enable this kind of learning and how will they ensure it is actually happening? Fiji's ERPD is the first with such a thorough description of M&E approach which means the mechanisms to generate evidence and knowledge relevant to learning will be put in place, all they need to do is ensure all this knowledge is used to improve implementation.
- Will the Integrated District Land Use Planning be explicitly and institutionally tied to the National Land Use Plan? Will it ensure that elements of the National Land Use plan that could negatively affect the ER Program will be analysed and those potential effects mitigated (i.e., road construction)? Will the geographic coverage of the IDLUP be sufficient to address the drivers of deforestation/degradation across the entire ER program area?
- The ways in which Forest Care Groups will be empowered and supported is largely unclear (beyond potential issuance of Forest Management Licenses). How else will these Forest Care Groups have the ability to improve management beyond general enhancements of capacity and resources?
- Will smallholders have access to credit/extension services/nursery stock as part of sub-component 2.4?
- Please elaborate on how the climate smart agriculture activities will be monitored.

ER Program Transactions

- Please respond to the comments raised by the TAP in relation to the ability to enter into an ERPA and to transfer title, along with an update on the status of the Forest Code Bill which should address the issues.
- Noting your intention to use the Bank's centralized registry, can you please provide a timeline for the step-wise approach to registry development/introduction.

- Is there an intention to transition to a country registry during the program period?
- What is the current status of the REDD+ Data Management System and Web-based portal?
- What is the current status of the study on Carbon Rights and Benefits Sharing Mechanism? Has that study been completed?

Benefit Sharing

- The BSP is not available. We strongly suggest to have an advanced draft of the benefit sharing arrangements in place as soon as possible.
- Can you please elaborate on the process of developing the BSP? Including process for consultations, inclusion of stakeholders and type of benefits (monetary, non-monetary etc)
- The benefit sharing plan section provides sufficient details on who the benefits will be shared with and how, but more details should be provided on the rational that will direct the BSP. What approaches and activities does the BSP aim to incentivise?
- Please provide more information on how the beneficiaries identified will be prioritized in the BSP?