



2012-2017 Programme Document



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EXECUTIVE SUMMARY

This programme proposal presents the evolution of the National Forest Programme (NFP) Facility into a new phase, which builds upon the experiences of the past 10 years and elements of the Growing Forest Partnerships (GFP) initiative. The new phase will combine the strengths of these programmes while meeting the remaining challenges in NFP implementation and new needs identified. The new programme is hence re-framed as the *Forest and Farm Facility* (FFF), from now on the *Facility*.

This new global initiative is framed in a context where natural resources are facing global challenges: population growth and inequitable and unsustainable consumption patterns are degrading ecosystems and threaten many rural peoples' access to land, food, fuel, construction materials and livelihoods. Vital ecosystem services, natural resources and invaluable biodiversity is often being endangered or forever lost. Smallholder, women, community and Indigenous Peoples groups who live close to forests understand the multiple benefits of forests and trees and what sustainable forest and farm management requires in practice. Recent evidence from international agencies highlights the advantages of local control in conserving the environment while meeting local needs. Yet their distance from decision-making centers, markets and investment programmes, and their lack of organized representation in these, leaves their crucial contribution marginalized.

The need to include local people, their perspectives and voices in tackling this situation and to mediate and find viable compromises between views and perspectives of governments and civil society could not be more imperative; the stakes for forest and farm dependent people, and the global community overall, could not be higher. The NFP Facility and the GFP has made significant contributions to increase stakeholder participation in the NFP and other processes. However, to further improve the representation of local people a more focused support to strengthen their capacity to network and organize is needed.

Tackling the global challenges also requires integrated programmes that span from local to national and international levels and reflect the multi-functions and benefits of forests and farms. The NFP Facility has gained considerable experiences, further strengthened by GFP implementation, on how to deal with these complex issues. It has shown that an integrated and bottom up approach, coupled with sensitizing government bodies and creating multi stakeholder participatory platforms is key. However, the forest sector in most countries remains isolated and not involved in the national policy dialogues on poverty reduction, food security, climate change etc. in spite of its crucial contribution to those policies and to sustainable development in general. Thus the proposed programme seeks to mobilize the international community to support the organization of local people, and to foster better multi-sectoral policy platforms.

The *Facility* will address these global needs by increasing its focus in promoting cross-sectoral coordination and further enhancing the organisation and capacity of local people so they can engage in local, regional and national level policy dialogues and decision-making processes, and have better skills and opportunities to access financing mechanisms and investments for sustainable forestry and farm management. Local people will be able to contribute their ideas and knowledge, helping to ensure that forest and farm related policies improve their food security, livelihoods and the management of the natural resources in the landscapes on which they rely for living.

The *Facility* will develop and fund partnerships at local, national, regional and international levels, and will offer grants that enable local stakeholders to form organizations and alliances. It will also offer grants to governments to establish and develop cross-sectoral platforms to better coordinate multi-stakeholder, multi-sector cooperation and dialogue. In this way, the *Facility* will catalyze more equitable and inclusive governance and finance mechanisms at national, sub national and local levels.

Supporting local people to organize and engage with forest and farm related policies adds value to donor programmes and global initiatives in three important ways.

First, it gives much-needed weight to local experience and perspectives in decision-making about forest and farm management integrating all related sectors.

Second, it scales up the formal market presence of enterprise groups that can attract pro-poor investment and help legitimize domestic-to-international market sectors that need local partners.

Third it creates the networks of forest and farm based right-holders that will be essential for rolling out food security, climate smart agriculture, climate change adaptation and mitigation programmes (REDD+) as well as programmes focusing on illegal logging and timber trade (like FLEGT).

The work of the *Facility* will be coordinated by a small and flexible management team and FAO, in Rome, has offered to continue hosting the *Facility*. A Steering Committee will evaluate and refresh the vision, principles, policies, strategies and basic activities of the *Facility* and a Donors Support Group will develop eligibility guidelines for selecting partners and criteria for grant applications respectively.

The proposed total budget is USD 50 million for the five year period 2012-2017, to cover initially some 40 countries. Robust monitoring systems will ensure that priorities of smallholder, women, community and Indigenous Peoples groups are upheld, and that investments are made in an transparent way.

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ACRONYMS

FAO	Food and Agriculture Organization
FCPF	Forest Carbon Partnership <i>Facility</i>
FGLG	Forest Governance Learning Group
FIP	Forest Investment Programme
FLEGT	Forest Law Enforcement Governance and Trade
FPP	Forest Peoples Programme
GACF	Global Alliance of Community Forestry
GFP	Growing Forests Partnerships
IAITPTF	International Alliance of Indigenous and Tribal Peoples of Tropical Forests
IFFA	International Family Forest Alliance
IIED	International Institute for Environment and Development
IUCN	International Union for Conservation of Nature
NFP	National Forest Programmes
OECD	Organisation for Economic Cooperation and Development
PROFOR	The Program on Forests
RECOFTC	The Center for People and Forests
REDD+	Reducing Emissions from Deforestation and Degradation
RRI	Rights and Resources Initiative
UN-REDD	United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries
USD	United States Dollars
WB	World Bank

1. INTRODUCTION

This draft programme document has emerged from wide-ranging discussions and consultations on the demand for, and feasibility of, supporting local forest and farm stakeholders through a new phase of the National Forest Programme Facility (NFP Facility) building also on the Growing Forest Partnerships (GFP) programme (see boxes and quotes from the consultations presented in the document).

It draws on lessons learned from these two closely related international initiatives while meeting remaining challenges and new needs identified. The National Forest Programme (NFP) *Facility* has operated for ten years in more than 80 partner countries (70 countries and four regional organizations) and the Growing Forest Partnerships (GFP) has garnered three years of pioneering experience in creating partnerships between forest rights holder groups in five of the NFP Facility partner countries.

The experience of the NFP Facility working in partnership with FAO, IUCN, IIED and the WB in the implementation of the GFP, has been instrumental in harmonizing in-country projects and activities. Close collaboration with a consolidated web of local forest stakeholders linked with three major global alliances of forest rights holders (IFFA, GACF, IAITPTF) has brought further synchronization. Additionally, the different knowledge and skill-sets, as well as a complementary suite of in-country staff-members has added value to the provision of information and technical support. The five joint NFP and GFP partner countries have much appreciated the collaboration between FAO, IUCN, IIED and the WB, showing that there is the need to better coordinate similar programmes and to support forest and farm dependent people in creating alliances that support the development of more sustainable livelihoods.

The second phase of the NFP Facility ends in 2012 and this draft Programme Proposal outlines a transitional process leading to a new phase under the title of the *Forest & Farm Facility* (from here on called the *Facility*).

The *Facility* will act on complementary fronts.

It will facilitate strong and equitable organizations and networks amongst smallholders, women groups, communities and Indigenous Peoples, enabling them to:

- ♦ Make their voices heard in policy making processes at local, regional, national and global levels on forest and farm related issues, like food security, SFM, climate change, bioenergy and water
- ♦ Have increased capacity and opportunity to access financing and investments for forest and farm development.

It will support national and sub-national governments to:

- ♦ Establish multi-sectoral platforms (through dialogues, information and capacity building) to better-coordinate the various ministries, private sector and civil society stakeholders involved in, or affected by, policies and activities related to forest and farm management like food security, SFM, climate change, bio energy and water.

Four sections of this document follow: **Section 1** presents what the *Facility* will achieve and how. It includes vision, objectives, activities and beneficiaries. **Section 2** contains the rationale behind the proposal and sets out why the *Facility* is qualified to achieve the objectives. **Section 3** proposes the operational structure for the *Facility*, including governance and management arrangements. Section 4 covers financial aspects. The

document also includes **six appendices**, respectively:

- 1) key achievements of the NFP Facility and GFP;
- 2) Forest & Farm Facility and cooperation with FAO, IUCN, IIED and WB
- 3) draft modus operandi of the *Facility*;
- 4) draft basic rules for selecting partnership organisations;
- 5) draft basic rules for allocating *Facility* grants;
- 6) and a draft logical framework

Some relevant experiences:

"The Alianza" in Guatemala

The Alianza Nacional de Organizaciones Forestales Comunitarias de Guatemala (the National Alliance of Community Forestry Organizations of Guatemala) was established, with support from the Nfp Facility and GFP, to serve as a platform for Guatemalan small holders, indigenous groups and forest communities to develop and speak with a common voice in order to influence national and international forest policy. Additionally, the Alianza has initiated a training plan for the development of local capacity in several areas throughout Guatemala. Today, the Alianza is made up of more than 400 community groups, with about 77,000 members, and has become a strong platform for engaging people in national decision-making processes, particularly and, as its first priority, lobbying for forest financing policies and instruments, including REDD, that can benefit local people. This partnership represents an unprecedented level of diversity and coordination among indigenous people and community forest organizations in Guatemala, and demonstrates the enormous potential that lies in strong partnerships. More than 388,000 Guatemalans who depend on forests for their livelihoods have benefited from the work of the Alianza. On 17 November 2010, at the Congress of the Republic of Guatemala, El Programa de Incentivos Forestales a Pequeños Poseedores (PINPEP) (Forest Smallholders Incentives Program) was signed into law (Law No. 3937, Decree No. 51). The law was passed, in large part, as a result of lobbying by and inputs from the Alianza, showing its increasing strategic importance in policy decision making.

The G3

In 2009, an alliance of major global rights holder groups was formed through support from GFP. The network, known as the G3, brings together three key alliances of local forest-dependent people, or forest 'rights holders'— the International Family of Forest Alliance (IFFA), the Global Alliance of Community Forestry (GACF) and the International Alliance of Indigenous and Tribal Peoples of Tropical Forests (IAITPTF). Together, they help raise, and advocate for, the key issues and perspectives around local people and sustainable forest management. A further strengthened G3 could play a key role in making the voices of forest dependent people heard at both local and global levels.

A National Forest Forum (NFF) in Liberia

In 2009, Liberia established a nfp platform using *Facility* support. GFP was launched in the country in 2010 complementing the efforts. The nfp platform is composed of the National Forest Forum (NFF) and 15 County Forest Forums (CFF). The NFF representatives of the CFF were selected after identification and analysis at chiefdom, district and county levels. The NFF is composed of the representatives of the CFFs and key forestry stakeholders. The stakeholders in Liberia consider the nfp platform as crucial to forestry development in Liberia since it democratically provides all stakeholders with a voice and assures good and decentralised governance of the forestry, climate change and natural resources sectors. The process also guarantees a strengthened information flow from bottom up and vice-versa, and a stronger multi-stakeholder participation in the policy processes for articulated inputs, socialization, validation, implementation of laws and hot issues. Forest-related initiatives in Liberia such as VPA, FLEGT, Forest Connect, NLBI, etc., governmental institutions, and development partners are encouraged to use this nfp platform to coordinate their efforts and build synergies.

2. RATIONALE

2.1 Why a Forest and Farm Facility

Global funding opportunities and investments are increasingly turning to forests as a means of alleviating poverty, enhancing ecosystems services and, mitigating and adapting to climate change. Today about 30% of the world's forests are managed by local people, either formally or informally and it is these local groups — smallholder, women, community and Indigenous Peoples — that make many forest investments work on the ground. However, the threat remain that recent gains in local management of forests may stall or even be reversed without a strong initiative to mainstream and cement the gains.

Many challenges related to poor governance mechanisms, inadequate skills, access to market opportunities, lack of coordination amongst multiple funding streams and lack of public awareness on the complexity and multiple values of forests, hinder effective delivery of the current investments (e.g REDD+) into locally managed forests and farms. These are described below.

Governance mechanisms

- **Local needs in global decision making processes;** Many global decision-making processes are dominated by governments and donors. Local groups fail to get a voice because they have limited resources and organizational capacity to attend funding discussions or because they are not linked into the wider networks that do participate. These local people are well placed to advise on what interventions are needed on the ground. There is a need to decrease the gap between forest and farm dependent people and the global actors investing in the sectors. Improved dialogue and partnerships can help achieve this and enhance the ability of global decisions to reflect the needs of local people.
- **National and local ownership of development;** Associated with the increased number of funding mechanisms come innumerable different approaches whether they are project based through NGO's or through basket funds directly to government. All use different entry points and create different systems and mechanisms for local delivery. A resultant outcome is a lack of both local and national ownership of these different delivery mechanisms. Experience from previous global initiatives, like the Tropical Forest Action Plan (TFAP), has clearly demonstrated that lack of country ownership leads to failure in achieving sustained impact.
- **Coordinated local organizations;** Many local organizations — including national forest forums and community forest user groups — have sprung up across the globe but these have struggled to make an impact on improved governance, institutional representation and participatory policy making, partly due to poor organization. Weak organizational structures go hand in hand with weak communication, which too often focuses on broad issues rather than the specific needs of local people. Transaction costs and gaps in the capacity to engage with the hundreds of millions of dispersed forest and farm dependent smallholder, women, community and Indigenous Peoples groups have hindered implementation efforts.
- **Multi-sectoral coordination;** Multi-sectoral coordination that integrates forests and farms are weak within government and local level planning agendas. The need to maintain biodiversity and other forest ecosystem services as well as increase resilience, poverty alleviation and food security are handled as separate issues. The outcome is inefficiency of inputs into all sectors and a lack of complementary approaches.

"Yes, we need a more real program at field level. For example, for indigenous minorities like Orang Rimba, Talang Mamak, Bathin IX, Sakai, Akit, Old Malay who live far away from transportation, information access and their voice barely up. In addition, they must have the support and financing policies in maintaining their forests from conversion into palm oil plantations, mines and plantations."

Komunitas Konservasi Indonesia (WARSI)
Sri Rahmat Hidayat - Director - Sumatra, Indonesia

"Les points proposés sont nécessaires et faisables. Les structures locales en ont besoins, mais la difficulté réside au niveau des mécanismes de mise en œuvre qui n'associent pas la base et sont conçus sans leur collaboration."

Responsable de la Caritas Congo
Mme. Jeanne Marie ABANDA NJEKOLI
Province de Mbandaka, Equateur, RDC

"In order to enhance forest management in Tanzania, effective participation of all key stakeholders is very crucial. The strong voice with strong partnership is the only way that is most likely to provide solutions to many forest challenges we experience today. Government alone will not in any way provide solutions"

Tanzania Forest Conservation Group
Mr Charles Meshack Executive Director
Dar es Salaam Tanzania

"The establishment of multi sectoral platform is very key. In the context of the Gambia the conflicts on policy related activities are not an exception. The introduction of Upland Rice variety called (NERICA) by the Department of Agricultural services have encouraged local farmers to encroach virgin forest land for conversion in to farmland for Upland rice cultivation. Large forest areas were converted to farmlands. Farmers were made to believe that this variety of rice can only do well in newly converted forest area. This is considered as a policy related conflict because the Department of Forestry is calling for protection and preservation of the remaining forest cover."

Freedom from Hunger Campaign
Alpha P Khan - Director - Gambia

Coordination amongst multiple funding streams

- **Harmonization at local level;** Depending on identified priorities there are many investment streams that target sustainable economic growth, environmental management and social justice at local level. This may be through programmes targeting small business development, food security, establishing conditions to meet global markets (e.g. FLEGT), climate change and/or mitigation and (REDD+). All these global funding mechanisms have objectives and activities with regard to the involvement and participation of local people. As a result a myriad of consultations, fora, platforms and projects involving local stakeholders (or organizations representing them) creates confusion and reduces effectiveness of funds at the local level.
- **Inclusive processes;** High expectations of quick delivery by the forest sector in climate change mitigation and adaptation has led to national REDD+ strategies and National Adaptation Plans of Action plagued by non-inclusive processes that offer only token involvement of small holder, women, community and Indigenous Peoples groups, and do not ensure equitable benefit distribution. Most REDD+ candidate countries do not have the capacity or institutional conditions to meet donors' requirements and expectations.

"Land issues continue to take center stage in Laos. There are still 'hot spots', where agriculture and forestry concessions and large-scale hydropower projects continue to dislocate rural people. Increasing land speculation has caused increased land conflicts both in rural and urban areas, and rural citizens, in particular, often lose out in these conflicts. Providing information for and creating dialogue with policy makers at different levels and establishing multi-stakeholders platforms to be better able to address and resolve conflicts over land is specifically needed."

Village Focus International (VFI)
Mr Rick Reece - Lao PDR

Skills and access to market opportunities

- **Weak domestic markets;** Domestic markets in developing countries usually involve multiple small, informal enterprises whose rights are poorly prescribed and who are not organized into representative structures. Independent reviews have confirmed significant progress in governance reforms that have been achieved by enforcing legal frameworks in the international timber trade through programmes such as FLEGT (and related Voluntary Partnership Agreements, VPA's). However, there is concern that the limited leverage of export markets may be undermined by lack of reforms in the domestic market, where potentially negative livelihood impacts of enforcing legality are most keenly felt.
- **Untapped investments;** There are many innovative sources of public and private financing for forestry and farm production systems that are not being realized at local level. Forest smallholder, women, community and Indigenous Peoples groups are unable to effectively participate in policy-making processes and to enter into partnerships with the private sector to identify required types of investments and to engage actively and equitably in the investment programmes. Thereby they are not able to ensure that investments are compliant with social safeguards, respect for rights and distribution of benefits.

"Meaningful participation of all stakeholders in policy formulation and implementation is a challenge for many African countries. There is need to enhance stakeholder participation in the processes by building the capacities of all stakeholders (stakeholders with influences and those that are affected by forestry decisions). One of the biggest constraints for Community Based Forest Enterprise Development is access to initial capital needs of the developed enterprises especially in communities where there is no village 'Cash Box/ Savings'. Therefore, better access to financing and investment will create more opportunities and sustain participatory forest management."

National Consultancy on Rural Extension Services and Training - Mr Kanimang Camara - Managing Director - Gambia

From isolation to integration

- The forestry sector is to a large extent still acting in isolation having limited contacts and dialogue with other related sectors like, agriculture, water, energy, infrastructure, mining, economy, finance, tourism etc. One of the reasons is that the general public and most politicians are not aware of the complexity of values and interests intrinsic to forests and trees. Sustainable Forest Management (SFM) is still regarded as a very technical issue dealing with logging and plantations, and the social and environmental values and services provided by forests and trees are not recognized. For the farmer all forest products (timber, fuel, NTFP) and most of the services (water, soil protection, biodiversity, climate etc.) are well known and the land is used in an integrated manner to provide for a sustainable livelihood. Organizing farmers and providing multi sector platforms where they can make their voices heard will have a direct impact on the awareness of the public and of politicians on the multi-functions provided by forests and trees.

"The proposed programme is very positive. For example, Kenya is preparing a new Forests Law and Forests Policy in line with the new Constitution. Today, I had a meeting with a senior forest officer and he told me that the Forest Service does not see the need to include smallholders, communities and indigenous people yet! Also Multi-sectoral platforms do indeed need support. We have made an effort to start such platforms, but they have faltered because of inadequate support."

Forest Action Network - Dr Dominic Walubengo
Director - Nairobi - Kenya

"Considero que este tipo de programa es muy necesario en nuestro país, ya que nos ha sido de mucha utilidad para poder realizar muchos procesos de desarrollo forestal comunitario que solos no lo hubiéramos podido llevar a cabo, así como solventar y superar los problemas e inconvenientes que se presentan cuando nos tomamos al tiempo y la tarea de iniciar una labor de esta magnitud"

Alianza Nacional de Organizaciones Forestales Comunitarias de Guatemala - Juan Raymundo Morales Ovando Presidente J. D. - Guatemala

"I am indeed convinced that there is an absolute need for this kind of program. The role of the local communities and the small holders in decision making process in the area of forest landscape is very paramount. This is attesting the fact that local communities and small holders are more vulnerable when it comes to the impact of forest degradation. They suffer the most the constituent of forest degradation. They also impact positively in protecting the forest cover from rampant destruction. In the context of The Gambia, community and small holder involvement in protecting and managing the forest cover through the community forestry program (14% of forest cover) introduced by the Forest Department have had a positive impact on the forestry landscape."

Freedom from Hunger Campaign
Alpha P Khan - Director - Gambia

"The type of programme that you are proposing is absolutely critical to generate genuine multi-stakeholder dialogue that could help transform forest governance specially in promoting a more decentralised and locally controlled forestry."

ForestAction Nepal - Naya Sharma Paudel, PhD
Executive Coordinator - Environmental Governance Specialist - Kathmandu - Nepal

2.2 Addressing the challenges: the role of the *Facility*

To address these challenges the *Facility* will enhance the organization and capacity of local people so they can engage in local, regional and national level policy dialogues and decision-making processes. Local people will be able to contribute their ideas and knowledge, helping to ensure that forest and farm policies improve their livelihoods, food security and the sustainability of the productive land on which they rely. To complement this, the *Facility* will also support governments to better coordinate multi-stakeholder, multi-sector cooperation and dialogue. In this way, the *Facility* will catalyze more equitable and inclusive governance and finance mechanisms at national, sub national and local levels.

Specifically the *Facility* will, based on demand, provide support towards addressing the above mentioned challenges by:

Promoting Equitable Governance Mechanisms

- Supporting local organizations in strengthening and/or creating networks, through which they can influence local, national and global decision making processes.
- Fostering genuine ownership of, and financial allocations to, in-country demand driven processes. This has been an enduring success of the NFP Facility. The new *Facility* builds on that approach, rejecting a project-oriented approach in favor of a catalytic 'way of doing things'.
- Supporting **multi-sectoral and multi-stakeholder platforms** that respond to issues related to the multiple services of forests and trees at the farm level, including also social and environmental services, and to strengthen access to economic opportunities for smallholder, women, community, Indigenous Peoples and other marginalized groups.

Improving coordination amongst multiple funding streams

- Ensuring complementarities with ongoing processes, the *Facility* will promote capacity building, in partnership with ongoing initiatives like REDD+, FLEGT and other country initiatives, to enhance the efficiency of outputs, and support the organization of forest and farm dependent people so that they can actively engage in policy and decision-making processes.
- Enhancing capacity, organization and representation of forest enterprises, active on the domestic market, in policy processes towards inclusive legal frameworks. This will help to ensure that legal export markets (supported by FLEGT / VPA) are not undermined by, nor work against domestic market actors.

Enhancing skills and access to market opportunities

- Making global and local funding opportunities respond to locally identified needs and priorities and thus increase efficiency and effectiveness of fund delivery. The NFP Facility's successful small grants scheme, and the GFP's work to support three global forest rights holder alliances, have demonstrated the effectiveness of such an approach.
- Building upon and further strengthen the successful support to National Forest Financing Strategies and Mechanisms by the NFP Facility, and enable forest and farm smallholder, women, community and Indigenous Peoples groups to enter into partnerships with the private sector. Required types of investments

will be identified and the smallholders will be actively and equitably engaged, both in roles and responsibilities, in the investment programmes. Smallholder engagement will also ensure compliance with social safeguards, respect for rights and distribution of benefits.

- Strengthening links, knowledge exchanges and tactics between enterprises providing services to small enterprises, as developed through the Forest Connect network coordinated by FAO/IIED.

Contributing to create public awareness

- Providing learning and information sharing mechanisms across local, national, regional and international levels will hopefully influence public and political awareness on the multiple benefits of forests and trees and their importance for food security, poverty alleviation, climate change mitigation and adaptation, biodiversity etc. both at country level and internationally. Furthermore this body of information will provide smallholder, women, community and Indigenous Peoples groups with skills and information needed to move towards a more sustainable management of their forests and farms

"FAO's involvement would be best if it uses compatible approaches for those planned by related projects in Laos: those that are rights-based, fit the Lao context, allow for wider impact, and bring up local lessons and voices to the policy dialogue. Progress would need to be monitored more in terms of documenting changes in decision-making (e.g. through the introduction of impact pathway approaches) rather than traditional livelihood outcomes monitoring."

Village Focus International (VFI) - Mr Rick Reece
Lao PDR

2.3 Value added of the Facility

The following provides evidence of the added value of the *Facility*.

Established mechanism for channeling resources; The *Facility* builds on the administrative track record and operational strengths of the NFP Facility and its established partnerships in 70 countries and with 4 regional organisations. It has a proven ability to channel considerable resources into multiple in-country activities. It will encompass new multi-institutional support, backing from international rights holder alliances, and improved analytical and communications capacity.

Efficiency and low transaction costs; The *Facility* will use established financial distribution mechanisms and in-country partners to gradually roll out the new *Facility* programme. This will guarantee a smooth start and low transaction costs. It will foster cross-sectoral co-ordination within partner countries, which will facilitate in-country donor coordination, further reducing costs.

Global engagement; The *Facility* will provide consistency in the application of best practice through global rather than bilateral engagement. While it is possible to develop community organizational capacity and multi stakeholder co-ordination in bilateral programmes, the added value of a global mechanism is its capacity to harmonize best practice and push both these agendas across divergent contexts. Some of the potential partner countries may be more resistant than others to what is proposed here. Comparisons and lesson-learning across the full range of contexts will add considerable value and help achieve greater impact.

Convening power; The established presence of the National Forest Programmes and the NFP Facility, allied with the multi-institutional partners (FAO, IUCN, IIED and WB) of the *Facility*, will provide a particularly strong base to catalyze coordination between the different involved ministries and the approaches different sector agencies take to forest and farm management. The same will also help to build credible organizations of smallholder, women, community and Indigenous Peoples groups.

The capacity to unblock investment bottlenecks; Extensive experience from the NFP Facility and the GFP has shown that turning 'hard' financial investments into

"Le Mali est un pays Agro-Sylvo-Pastoral avec 70% de la population dépendant de l'agriculture; la mise en œuvre d'un tel programme si important, va donner un plus à l'agriculture en général et va contribuer à la valorisation des produits forestiers non ligneux, avec une implication d'un nombre plus élevé de femmes dans la prise de décisions. Une augmentation des revenus des PME, contribuera ainsi à la lutte contre la pauvreté pour les petits exploitants agricoles. A travers les PME, les couches sociales participent à la prise de décisions niveau de village et sont impliquées dans la gestion des ressources forestières. Ce programme, enfin, permettra d'améliorer la capacité de commercialisation des PME."

Association des Organisations Professionnelles Paysannes (AOPP) - Mr. Mady Sidibe - Bamako - Mali

"I tell you that there is a real need for such kind of programme and it is feasible to implement. The kind of support that is required is financial and technical as well. This programme can be a unique model by the leadership of an NGO in the 3rd World and a very effective and important economical income generation activity, as well as, a great benefit to the environment, especially in a country like Sudan where there are huge empty lands that are not used and plenty of water."

Um Elmomineen Charitable Organisation
Dr Mohammed Hussein - Sudan

"Nuestro trabajo comunitario tiene su enfoque integral, existen muchas microcuencas en nuestra region, el plan de uso de suelos nos permite delimitar el suelo para diferentes actividades, entre ellas la forestación y sus obras de conservación, la actividad agrícola y entre otras prácticas para la recuperación y preservación del predio productivo familiar y para generar nuevos sistemas de protección y las que ya existen. Por lo tanto reitero, el tipo de programa es muy útil y nos ha dado fortaleza a nuestras acciones comunitarias."

Asociación para el Desarrollo de Comunidades de Tukuy - Sr. Damian Sirpa - Bolivia

'sustainable forest and farm management' can only begin once there are organizations to invest in that can deliver credible benefits at bearable transaction costs and manageable risk. But, these organizations rarely exist without prior 'soft' investment in capacity building. The NFP Facility and GFP (and hence, the *Facility*) have a sound experience in anticipating and resolving such 'investment bottlenecks' (e.g. within the NFP Facility's initiative on forest financing and through the GFP supported seven-country dialogue process on Investing in Locally Controlled Forestry)

Small and well targeted support makes difference; The experience of the NFP Facility has demonstrated that small grants (average 25.000 USD) transferred directly to the bank accounts of local organizations for activities prioritized and defined by the members of the organizations have had a significant impact on the NFP development and implementation. The new phase will maintain the same small grant scheme for activities supporting the organization(s) to better organize in order to contribute to policy decisions and have improved access to financing and a better share of the benefits from investments. Given that the funds are managed in a multi donor trustfund, the *Facility* is a fully donor coordinated effort with low transaction costs. Furthermore, the highly demanded coordination at country level is considerably improved by the close cooperation between FAO, IUCN, and WB.

2.4 Building on experiences

Successful mechanisms

The NFP Facility has made significant strides, further strengthened by the GFP support in five of the partner countries, towards addressing fundamental power imbalances between local people and national and international actors. It has sensitized governments to the need for adequate participation, provided space for 'local policy dialogue' and 'community forest fora' and invested in research, capacity building and pilot implementation to provide evidence on which sound decisions can be based. At local, sub-national and national levels the NFP Facility entered into agreements with more than 900 local organizations, and the *Facility* will build upon those organizations to support local, national and regional networks, associations and enterprises.

Established networks; The established operational structure, network and experience of the NFP Facility and GFP, together with key alliances of forest rights holder groups, provide a strong foundation and the necessary collaborative spirit for the *Facility*. With its close cooperation with FAO, IUCN, IIED and the World Bank the competencies, networks, knowledge and lessons learned through existing initiatives would be pooled. Through these networks the *Facility* will be in a position to strengthen links and relationships to existing international organizations and initiatives that focus on local forest and farm stakeholders, such as: Tropenbos International, AgriCord-Farmers Organizations, the Forest Peoples Programme (FPP), The Forests Dialogue (TFD), CATIE, RECOFTC; and to private sector organizations that play key roles in the global market.

Enhanced collaboration; Partner countries have much appreciated the collaboration between NFP Facility and GFP (FAO, IUCN, WB and IIED), showing that there is a need to better-coordinate similar programmes at national level and to jointly support forest and farm dependent people in creating networks and alliances that support the development of more sustainable livelihoods. The contributions to the *Facility* from those collaborating institutions, as well as the value added by the *Facility* to their core programmes, are summarized below. For more information see Appendix 2.

"This kind of programme is indeed necessary for a country like us. This will support in promoting sustainable forest management in our country and address the issues of marginalized through a broader perspective. As the country also is in a transition phase, this kind of program would further add to development of common understanding on the issues. Additionally, FECOFUN has also been working on this since its establishment and this kind of work would provide us a great opportunity in multiplying the effects to wider communities."

Apsara Chapagain - Chairperson - Federation of Community Forestry Users' Nepal FECOFUN Kathmandu Nepal

FAO; The *Facility* is vital to FAO. Through the *Facility*, FAO can help civil society play its role in strengthening governance and management of forests and farms at local levels for improved food security and sustainable livelihoods.. The *Facility* is an important partner to FAO to disseminate and put into practice in many countries the normative and technical work of FAO; manuals, guidelines and capacity building material related to food security, forest and farm management, enterprise development and financing, climate change mitigation and adaptation, biodiversity and bioenergy.

IUCN; The strong country presence of IUCN's offices and members (over 1,000) would enable links to be facilitated with the work they are engaged with at a local level - particularly in supporting multi-stakeholder processes, pro-poor REDD approaches, and forest governance reform processes. This not only enhances IUCN's work by providing an opportunity for specific targeted resources to local level organisations based on their needs and requests, but also provides a means to enhance the local to global links for international policy discussion.

IIED; The International Institute for Environment and Development (IIED) is an international policy research organisation with a broad network of research partners in five continents. IIED has a strong international reputation for impartial knowledge generation and brokering and capacity building at the cutting edge between environment and development. IIED plays a pivotal role in the development of analytical research enhancement and dissemination amongst networks of partners. The FFF would further deepen and strengthen this role.

World Bank; The Program on Forests (PROFOR), hosted by the World Bank, supports in-depth analysis, innovative processes and knowledge-sharing and dialogue, in the belief that sound forest policy can lead to better outcomes on issues ranging from livelihoods and financing, to illegal logging, biodiversity and climate change. Since 2002, the programme has been managed by a core team with support from multiple donors. PROFOR encourages a big-picture approach to forest conservation and management in developing countries, with a particular focus on four themes; Livelihoods; Governance, Financing and Coordinating Across Sectors. The experience and learning of FFF on those issues at national and local level would further strengthen the work of PROFOR, in two ways. The analytical work of PROFOR will serve for capacity building at national level and the local and national level issues identified by *Facility* will provide input to define future priorities of PROFOR.

3. Mission, beneficiaries, impact, outcomes and activities

Consultations with multiple partners have identified the following framework for effective implementation. An initial draft logical framework for the programme is presented in Appendix 5.

3.1 Mission:

To promote sustainable forest and farm management by supporting local, regional, national and international organizations and platforms for effective engagement in policies and investments that meet the needs of local people.

3.2 Potential beneficiaries

Direct beneficiaries of the *Facility* will include:

- Smallholder, women, community and Indigenous Peoples groups, including their networks at sub national, national and international levels, who will receive direct support, improved access to information, capacity development in decision-making, and financing and investments for managing forests and farms in an integrated and sustainable way.
- Representatives of small holder, women, community and Indigenous Peoples groups in international meetings, negotiations etc will benefit from having access to information based on the experience, knowledge and priorities of their constituency.
- National and sub-national governments will benefit from direct support to establish or strengthen multi sectoral platforms for dialogue on forest and farm related issues and from having established an operational collaboration base with smallholders, communities and Indigenous Peoples.

and indirect beneficiaries will include:

- International agencies, donors and investors will benefit from operating networks and organizations of local people depending on forests and farms for their livelihoods and from a effective multi sectoral stakeholder platform at national level. It should offer improved possibilities for targeting and coordinating support to forest and farm management within overall food security and sustainable development goals.
- Participants in regional and international processes, eg on food security, biodiversity, climate change, forestry etc. will benefit from improved and more-accessible knowledge, hopefully leading to better-informed decisions and agreements.

3.3. Impact and Outcomes

3.3.1 Impact

Improved income and food security of smallholder, women, community and Indigenous Peoples groups from sustainable forest and farm management.

3.3.2 Outcomes

- Local forest and farm organizations of smallholder, women, community and Indigenous Peoples groups are strengthened and cooperate in networks, alliances, federations, enterprises or other organizational forms.
- Local forest and farm organizations have access to financing mechanisms, collaborate with private sector, and gain investments
- Local forest and farm organizations are actively engaging and contributing to local, sub-national and national policy development related to forest and farm management.
- Cross-sectoral collaboration, experience sharing and consensus building established by Government at all levels, for shaping policies that link forest and farm management, food security, climate change, water and energy supply etc.
- National policies and global agendas, such as those on food security, poverty reduction, forest management, biodiversity and climate change, reflect the knowledge and priorities of smallholder, women, community and Indigenous Peoples groups.

"The voices of amongst smallholders, communities and indigenous peoples who are the custodians of our forests are not heard. Someone out there is speaking on their behalf which sometimes does not deliver the right message. Supporting them to have access to financing and investments for forest landscape will make them own the process of forest management as opposed to the current practices whereby someone brings them a project which they may not articulate well and own."

Envirocare - Loyce C. Lema - Executive Director
Tanzania

3.3.3 Outputs

- Organizations at local /community levels:
 - Cooperate in networks, alliances, federations and/or enterprises and have the capacity and skills to negotiate with government on national policy decisions.
 - Have access to knowledge, new techniques and skills for sustainably managing their forests and farms.
 - Create efficient and sustainable small enterprises and benefit from economic activities related to products and services from their forests and farms.
- National policies and incentives are in place to support smallholders in developing efficient and sustainable enterprises and implementing investments
- Government have established and coordinate inter-ministerial multi stakeholder platforms/committees at national level, involving local organisations, civil society organizations and the private sector, in dialogue and negotiations on sustainable forest and farm management.

"Local communities are better equipped and empowered to participate in forest management when they are given a platform to voice their concerns and interests, and are given space to actively participate in the management of the resource including benefications. In the developing and emerging economies, partnerships are crucial because they have the capacity to enhance rapid socio-economic development that is urgently needed in these countries. I therefore think that there is the need for this kind of programme and it is feasible to implement."

Bureau of Integrated Rural Development (BIRD)
Dr. Paul Sarfo-Mensah - Kwame Nkrumah University
of Science and Technology - Kumasi Ghana

3.4. Programme activities and mechanisms

3.4.1. Local level

Support to smallholder, women, community and Indigenous Peoples groups depending on forests and farms for their livelihood:

- Convene meetings, communication and transport, for the groups to meet and discuss the benefits of organizing, joining existing organizations, networking etc.
- Exchange visits between the different groups and communities for a dialogue on the potential benefits of joining groups/organizations to ensure a broad local engagement and contribution to national dialogues and decisions.
- Advisory assistance on legal issues for formalizing organizations and consultancies for specific studies identified by the groups.
- Legal support on securing commercial rights, formalize and register business entities and advisory assistance to prepare and negotiate commercial deals, including partnership with private sector and payment for ecosystem services
- Building capacity on negotiation, conflict management, participation, enterprise

development, market analysis, financing, attracting investments, preparation of investment proposals and forest and farm management according to their expressed needs.

- Building knowledge and capacity to access, monitor and report on implementation and compliance with safeguards, rights and benefits, of national programmes and investments and funding opportunities
- Access to information and participation in training events related to sustainable management of forests and farms.
- Facilitate participation of smallholder representatives at national and regional meetings (and occasionally at global meetings).

"Decentralised local government structures (Area Councils and Unit Committees) are crucial for the facilitation of any meaningful partnerships that will involve public and private entities for the development of forest resources. But these are often poorly developed and resourced. Consequently, they act as the weak links and frustrate any attempt to involve the broad masses of the people in real development at local level."

Bureau of Integrated Rural Development (BIRD)
Dr. Paul Sarfo-Mensah - Kwame Nkrumah University
of Science and Technology - Kumasi
Ghana

Those activities will initially be supported through small grants directly to the identified beneficiary. Once a joint organisation/federation/alliance has been formally established the *Facility* will enter into a three-year Partnership Agreement (PA) with the organization, based on annual workplans. The PA will provide the organization (existing, strengthened or new) with secure funding for three years and thus allow for planning their activities more long term. (For more details see 5.1 and Appendix 2, 3 and 4).

3.4.2 National and sub-national levels

Support to sub-national and national government to improve coordination among the different sectors and stakeholders involved in forest and farm management and development (e.g. forestry, agriculture, mining, water, energy, biodiversity, economy, finance, and national programmes on food security, climate change and poverty reduction) for:

- Establishment of multi sectoral and multi stakeholder national and sub-national platforms and for organising and implement meetings of the platform for dialogue on forest and farm related policy issues and implementation of national programmes (Food Security, REDD, FLEGT, NLBI, etc).
- Development and implementation of National Forest and Farm Financing Strategies and Mechanisms.
- Implementation of studies, reviews of policy, laws and regulations, and other activities identified and prioritized by the national stakeholder platform.
- Organisation of capacity development activities; training, workshops, seminars and community exchange events.
- Facilitating participation of government representatives in regional and global meetings.
- Improving access to policy briefs and information from global fora and processes related to forest and farm management (e.g. climate negotiations).
- Building capacity on methods and tools for impact monitoring of policy implementation.

"Aider les gouvernements nationaux et régionaux à établir des plates-formes multisectorielles dépend de la volonté de dialoguer et la structuration/tutelle (interministérielle). Par exemple au Mali on a parlé mais une plateforme des acteurs du secteur forestier n'a jamais vu le jour (et ne pas par manque de fonds à mon avis). Donc soutien politique à haut niveau nécessaire et montage institutionnel critique."

Sahel Eco - Mme. Mary Allen Ballo - Director
Bamako

National Forest Financing Strategies (NFFS): The case of Paraguay

The country's NFFS process began with the convening of a national workshop on forest financing in Paraguay in February 2009. The workshop was attended by over 100 representatives from the public and private forestry and financial sectors. The workshop received a lot of attention from high levels of government and from the media, demonstrating the importance of forest financing issues in the country. A key result of the workshop was the emergence of three voluntary working groups, focusing on the design of financing instruments, review of legal and technical forest information and cultivation of cross-sector communication. Several actions have been taken in that time including development of several forest financing tools and instruments, drafting of an initial NFFS, changing of Central Bank regulations to make trusts easier to establish, strengthening of inter-sectoral communication and reaffirmation of high-level government support for the NFFS elaboration process.

Those activities will be supported through a Partnership Agreement between the Government and the *Facility*, based on an annual work plan. (For more details see 5.1 and Appendix 3 and 4).

3.4.3 Regional and global levels

Support to forest and farm related organisations/federations/alliances representing smallholder-, women-, community-, Indigenous Peoples and other marginalized groups at regional and global level for:

- Communication and information exchange between local and regional/global levels.
- Arranging meetings and workshops, “south to south” exchange and learning events, involving the different levels for dialogue and discussion on issues related to e.g. global level negotiations.
- Contracting expertise for specific issues and analytical studies identified in the dialogues involving the local, regional and global levels.
- Production and dissemination of training and information material, through a variety of media.

The *Facility* will either enter into 3 year Partnership Agreement with global and regional organizations based on a presentation (Concept Note) of their mission and strategy and detailed workplan for the first year activities. If no Partnership Agreement will be agreed upon, the *Facility* could still support activities of regional and global organisations through small grants for a specified activity. (For more details see 5.1 and Appendix 2, 3 and 4).

4. Organisation & Management

4.1 Governance structure and process

The *Facility* will need appropriate, clear and efficient governance to support strategic decision-making and donor requirements. Two main bodies are proposed for these functions - a steering committee and a donor support group.

It is proposed that the *Facility* will be governed according to the following principles, which will be periodically reviewed by the Steering Committee. The *Facility* will:

1. Recognize and promote the multi-purpose, cross-sectoral nature of sustainable forest and farm management.
2. Take an inclusive approach encompassing a wide range of stakeholders, knowledge traditions, and global to local public goods.
3. Adopt an equitable approach that prioritizes involvement, organization and capacity building for smallholder, including women, and marginalized groups to become involved in *Facility* activities, and that encourages wide ownership in multi-sectoral policy processes.
4. Be transparent in communicating *Facility* processes and decisions.
5. Adopt a learning-based approach in *Facility* operations, to support continuous improvement of partnerships work and make investments more sustainable.
6. Encourage and promote action that can drive change compatible with these principles.
7. Support existing, and promote new networks of forest and farm stakeholders at local, national and regional level for channeling capacity building, sharing of experiences and knowledge, and for south-south initiative

The sections below describe the objectives, tasks and potential composition of the Steering Committee and Donor Support Group.

Steering Committee

Roles

The Steering Committee will define the strategy and take strategic decisions for the *Facility*. It will oversee and guide the operations of the *Facility* based on the information received from the Donor Support Group and the *Facility* Management Team. This information will include in-country and regional progress reports (successes and challenges in implementing the *Facility* priorities) and information on international policy debates and initiatives. Members of the new *Facility* Committee will operate within a legal framework similar to that created by the NFP Facility Multi-donor Trust Fund (MTF).

Initial Tasks

The Steering Committee will meet once a year in person (normally in January/February) and, if needed, on an *ad hoc* basis by electronic consultation and/or by conference call. The Committee will work by consensus. Its main responsibilities are to:

1. Define, and then to periodically evaluate and refresh, the mission, objectives, strategies and modus operandi, of the *Facility*, and approve any updates.
2. Monitor progress and review the operations of the *Facility*, and provide feedback to existing and potential supporters, partners and beneficiaries of the *Facility*, and to the general public, directly or via the *Facility* Management Team.

3. Develop criteria and rules for partnerships and for allocating *Facility* grants.
4. Evaluate proposals for partnerships and, based on the available budget and other relevant factors, take annual decisions on expansion.
5. Examine and approve annual progress reports, including financial statements, forecast budgets and annual work plans produced and presented by the *Facility* Management Team.
6. Commission and respond to an independent evaluation of the *Facility's* development after three years.
7. Interact and negotiate with the Donor Support Group on all of the responsibilities above.
8. Provide advice, as a group and as individuals, to the *Facility* Management Team.

Steering Committee members are expected to actively participate in the work of the Committee, and also to promote the *Facility* to relevant agencies, institutions and organisations (at national and international levels) that may benefit from becoming a partner of the *Facility*.

Composition and organisation

The Steering Committee will have up to 20 members, ensuring a mix of institutional, and individual representatives, including some donors, and ensuring a balance of geographical, gender and stakeholder, including government, interests.

The Committee will be drawn from the following constituencies:

- Indigenous Peoples, community, smallholder and women groups / alliances/ councils in Africa, Asia and Latin America.
- Regional NGOs, networks and organizations in Asia, Africa and Latin America
- Public policy institution
- The private sector, including private foundations and philanthropic initiatives
- International and regional research institutions.
- Finance and investment sector agencies and business federations.
- Forest and farm related global programmes and initiatives (e.g. FPP, PROFOR, UNREDD, FCPF, FIP, Farmers Fighting Poverty).
- The Donor Support Group.

From amongst these constituencies, the *Facility* Management Team (see below) will gather a consultative group (through a self selection process by the organisations wherever feasible) that will propose the criteria for membership and procedures for running the Steering Committee and its initial composition. A first full meeting of the Steering Committee will then modify and adopt the criteria, procedures and Committee composition. All members of the Steering Committee will be appointed in their personal and professional capacity; and opinions they express do not bind the institution or organisation they work for. The proposed term in office for the Steering Committee members is three years, with no member remaining on the Steering Committee for more than five years.

The Donor Support Group

Roles

The Donor Support Group, in collaboration with the *Facility* Management Team, will develop the eligibility guidelines for selecting partners and criteria for grant applications. Legal agreements between FAO and each of the contributors to the *Facility* Multi-donor Trust Fund will form the legal basis for this Fund.

Initial Tasks

The Donor Support Group will meet once a year, preferably just before the Steering Committee meeting. Potential Donors will be invited as observers. The Group will select two members to represent it in the Steering Committee.

Composition and organisation

The Donor Support Group brings together representatives of the donors contributing to the *Facility* Multi-donor Trust Fund. During the 10 years of the NFP *Facility*, governments of Austria, the Czech Republic, Finland, France, Germany, Ireland, the Netherlands, Norway, Sweden, Switzerland, the United Kingdom, and the United States of America, as well as the European Union and the World Bank, have provided funds to the Multi-donor Trust Fund. In addition, in-kind support has been provided by FAO, and the governments of Germany and Japan. Those donors, and others, will be approached for support to the *Facility* outlined in this document.

The rationale and functions for the *Facility* Management Team are described below. These include work to develop the information and decision options for, and to execute the decisions made by, the above governance bodies.

Proposed Facility Management Team

A *Facility* Management Team will be put together, based on the existing NFP *Facility* staff, in cooperation with FAO, IUCN, IIED and WB, and its composition may evolve over time and with the decisions of the Steering Committee. The Team's headquarters will be at FAO in Rome, but with regional engagement and functionality as required. It will coordinate the day-to-day operational management of the *Facility* and will support, and respond to, the decisions of the Steering Committee and the Donor Support Group. It will thus have the following principal initial roles and tasks.

Roles

- **Operational management:** Craft and implement the operational *Facility* strategy, and champion the *Facility* concept, strategy and impacts.
- **Studies, analysis and learning:** Provide and support studies and lesson learning that empower smallholder, women, community and Indigenous Peoples groups and achieves the *Facility's* objectives.
- **Communications:** Develop spaces for information exchange amongst all stakeholders involved in the *Facility*, and develop and implement the *Facility* communication strategy at international, national and local levels.
- **Finance and Administration:** Provide financial management and administration for the *Facility*.

Overarching Tasks

Process enhancement

- Develop *Facility* strategy and options for Steering Committee decisions- drawing on inputs from in-country partners, evidence from studies, and guidance from the Steering Committee and the Donors Support Group.
- Facilitate in-country partner dialogue and diagnostic processes to establish partnership actions and work plans (according to priorities they themselves identify) and agree on grants.
- Support cross-sectoral collaboration in-country and with international initiatives with a focus on smallholder, community, women and Indigenous Peoples groups and complimentary to the *Facility*.

Knowledge brokering

- Support the use of existing tools and provide guidance for analysis and development of capacity building programmes (e.g. on how to create: strong local stakeholder organizations and improve their access to financing and investments; better coordinated cross-sectoral platforms for high level governance dialogue; and how to ensure effective and mutual feedback from local to global processes on forest and farm management).
- Support partners to analyze, disseminate and promote findings and impacts of lesson-learning.

Monitoring and Evaluation

- Support development and implementation of self-monitoring, quality assurance and independent evaluation systems, including facilitated feedback from in-country and international partners, as a basis to sharpen and improve the objectives, strategy and operations of the *Facility*.
- Manage the monitoring system database.
- Prepare narrative and financial reports.

Communication

- Develop and ensure implementation of a global communications strategy for the *Facility*.
- Liaise and develop communication exchange mechanisms with in-country partners to improve information and communication flow from local to global levels and vice versa.
- Develop and maintain an interactive *Facility* website.
- Support the development of communications capacity strengthening programmes in country.
- Produce information materials and reports to be presented at international events and at Steering Committee and Donor Support Group meetings.

Programme management

- Coordinate the financial transactions of the *Facility*.
- Administer and process partnership agreements, grants and contracts.
- Organise and support missions of the *Facility* Management Team and provide logistics support for organising events and workshops, including the meetings of the Steering Committee and Donor Support Group.

Team Composition

The *Facility* Management Team will be organized, and work, as one gender balanced group composed of individuals with varying backgrounds and experiences. It is proposed that it comprise:

- Facility Manager.
- Operations Coordinator.
- Up to 6 Programme Facilitators, initially based at FAO HQ and later on also in FAO regional offices, together having experience from different geographical regions and covering the following fields of knowledge and experience:
 - Community forest/farm management/participatory land use planning
 - Indigenous peoples' rights.
 - Gender /women's empowerment and dimensions.
 - Networking and organizational development.
 - Forest and farm related governance.

- Enterprise development, financing and investments.
- Capacity building and training.
- Research, analysis and lesson learning.
- Monitoring and impact assessment.
- Communication specialist.
- IT/web expert.
- 2 Administrators.
- Financial Assistant.

The *Facility* Management Team will strive to achieve the objectives and implement the support activities, as proposed by the stakeholders of the *Facility*, at a high level of value for money. An initial target will be to ensure that the *Facility* Management Team (Programme Delivery) costs do not exceed 20% of the total budget. The size and geographical location of the Team is likely to evolve to accommodate increasing numbers of countries and partners being supported by the *Facility*.

4.2 Monitoring System and Reporting Process

The “Facility Country Support Database” (an on-line monitoring and reporting system developed and established for NFP Facility activities in the partner countries) has been fully operational since 2005 at FAO Headquarters, and encompasses regional and sub-regional levels. Through a normal internet connection, *Facility* staff and partners have permanent access to the information related to on-going activities. The database makes it possible to monitor and evaluate inputs and outputs, especially by:

- Collecting information required to manage Partnerships Agreements with, and Grant Letters of Agreement (LoAs) to, stakeholders.
- Systematically tracking actual results with the planned objectives and targets, as well as allowing for timely identification of emerging issues such as delays and unfulfilled commitments.
- Providing for financial management and accounting of Grants (for instance, the system automatically notifies payment authorization as soon as technical clearance of reports is given by *Facility* Programme Facilitators, making it easier and quicker to release funds to recipient organizations.
- Making various reporting features available.

To complement the system for monitoring inputs and outputs, already operational, an outcome and impact monitoring system will be developed. Such a system has been developed for the NFP Facility, assessing the long-term contribution to strengthening the national forest programmes in partner countries. It is focusing on participatory monitoring at the country level, involving and building the capacity of the national stakeholders. As a “by-product” the system also provides the Management, the Steering Committee and the Donors with information on the impact of the programme. The same basic system, modified to measure the new objectives, will be used in the *Facility*.

An important part of the monitoring and reporting process will be the formalisation of a process through which the recipients of support for in-country activities can provide feedback to the *Facility* Management Team, Steering Committee and Donor Support Group, not only of the content of in-country work, but also of suggested changes to the strategic focus and operational management of the *Facility*.

On a regular basis independent external evaluations will be carried out of *Facility* operations in countries and, whenever required by the Steering Committee or Donor.

Support Group, an independent evaluation of the full programme of the *Facility* will be commissioned.

To measure the impact of the *Facility*, baseline and regular data will be collected by using existing tools at country level such as the National Forest Monitoring and Assessment (NFMA), the Framework for Assessing and Monitoring Forest Governance and the Forest Poverty Toolkit (amongst others) to extrapolate physical data on forest and farm management and socioeconomic impacts. Using these pre-existing mechanisms would allow a two-way flow of data which would benefit the *Facility* in measuring impact but also provide additional data to those mechanisms.

5. FINANCING

Some of the available funding of the NFP Facility and the GFP in 2011 has been used to prepare for a smooth transition to the new *Facility*. The final year, 2012, of the NFP Facility will focus on supporting activities related to the mission and objectives of the *Facility*. This planned transition will make it possible to maintain the momentum and motivation of present partners at all levels, as well the key operational structure and staff of the NFP Facility.

5.1 Budget for mid 2012 – mid 2017

A summary of the proposed 5-year budget (for July 2012 to June 2017) is given in Table 2.

This is expected to be covered by donor contributions to the *Facility* Multi-donor Trust Fund. The estimated total amount of US\$ 50 million is based on 2011 costs, to which are added a 5 per cent provision for contingencies.

The *Facility* will provide direct support to local stakeholders through two interlinked instruments, **Partnership Agreements and Grants, to be used flexibly depending on the situation in each country and needs of the various local smallholder, women, community and Indigenous Peoples' groups.**

The proposed budget covers the following costs:

- Partnership Agreements with lead organisations representing smallholders at national level. These will average US\$ 400,000 over a three year period, and are to facilitate smallholder, women, community and Indigenous Peoples groups to build organizations at the national and sub national levels and link these to regional and international organizations, alliances and federations. These Partnership Agreements will be based on a Concept Note submitted to and approved by the Steering Committee.
- Partnership Agreements with lead organisations at regional level. These will average US\$ 300,000 over a three year period, and their purpose is to organise or reinforce networks and identify and implement activities at regional level. Examples would be building capacities, build negotiation teams, or organizing learning events at a regional level. These Partnership Agreements will be based on a Concept Note submitted to and approved by the Steering Committee.
- Partnership Agreements with organisations, representing small holder, women, community and Indigenous Peoples groups at the international level, averaging US\$ 300,000 over a period of three years. These agreements will be based on a Concept Note submitted to and approved by the Steering Committee.
- Grants, averaging US\$ 25,000 made to local stakeholders. These will support activities identified and decided jointly by the different local stakeholder groups. The aim is to establish a formal association, federation, or committee eligible to enter into a more long term Partnership Agreement (see above).
- Annual Incentive Grants, average US\$ 25,000, to governments for coordinating and organising national cross-sectoral stakeholder fora platforms.
- Grants, average US\$ 25,000 for cross-sectoral activities (studies, capacity building, communication etc) identified by the Partners at the national level.

- Contracts for studies, consultancies, capacity building, national and transnational learning events etc, based upon open calls for proposals at national or international levels.
- Information Services, like production of information and training material, presentations at international events etc.
- The *Facility* Management Team costs, including salaries, travel, the cost of organising and holding Steering Committee and Donor Support Group meetings and of monitoring and evaluation activities.
- Indirect support, covering the administrative costs incurred by the FAO (5,9 % of total annual expenditures).

Table 2 - Proposed 5-year Budget, July 2012 to June 2017 (000 US\$)

EXPENDITURES (5 Years)	Total (US\$)	%
Partnership Agreements		
- National level (40 countries)	16,000,000	
- Regional Organisations (10)	3,000,000	
- International Organisations (7)	2,000,000	
S/T	21,000,000	42
Grants		
- Local stakeholders (for initial organizing activities)	7,000,000	
- Incentive Grants to Government	2,000,000	
- Cross-sectoral activities	2,000,000	
S/T	11,000,000	22
Contracts		
- Consultancies at national, regional or global level	2,000,000	
S/T	2,000,000	4
Information Services		
-Information materials and international events	2,000,000	
S/T	2,000,000	4
Facility Management Team		
- Personnel (max 15) ¹	7,000,000	
- Travel	1,000,000	
- Monitoring and evaluation, database management	500,000	
- Office Expenditures and Equipment	100,000	
S/T	8,600,000	17
Governance		
- Steering Committee and Donor Support Group meetings (1/year)	400,000	
S/T	400,000	1
TOTAL DIRECT COST	45,000,000	
Indirect Support Cost	2,500,000	5
Contingencies	2,500,000	5
TOTAL	50,000,000	100

APPENDIX 1

NFP Facility and GFP key achievements and lessons learned – in brief

(Final reports of both programmes are under preparation and will be available in the first half of 2012)

NFP Facility

Stakeholder participation and partnership has been strengthened.

The NFP Facility has helped most of the 80 supported countries make significant progress in establishing mechanisms (such as stakeholder committees, national forest fora, etc.) for all stakeholders to participate in the National Forest Programme process. The NFP Facility provided both concrete incentives for civil society organisations to become more actively involved, and support for forestry departments to engage with such civil society organisations. A key remaining challenge is to get remote communities, indigenous peoples' groups and the private sector more actively involved. This could be addressed by including forest dwellers and indigenous representatives in the National Steering Committees or similar fora and helping these organizations integrate into forest dialogues at regional and global levels. In part, this means that forest administrations, (the focal point for and owner of the NFPs) need to improve their capacity and knowledge so they can encourage further stakeholder participation and improve the communication tools used to keep stakeholders informed. And a greater level of cross-sectoral cooperation, eg between forest, economic and finance sectors, could greatly help governments meet the multi-dimensional needs of local forest stakeholders.

NFPs are nationally owned and driven.

In bright contrast to previous initiatives like Forest Master Plans and Tropical Forest Action Plans the great majority of countries have fully taken up country leadership of their NFP. Looking at this principle alone the NFPs have been a success. Nevertheless, forest administrations have work still to do to ensure adequate national budget allocations, implementation of policies and capacities.

Activities and processes have staying power.

The NFP Facility's small-sized and easily monitored grants, and its national and local selection process, have made the activities and processes supported highly sustainable. Indeed, National Forest Programmes have been adopted by many of the countries as an iterative and dynamic process. And according to a recent external review conducted on the NFP Facility, the FAO bureaucracy is productive and functions efficiently. But we now face a key challenge. Many people now perceive the NFP mechanism, once seen as a catalyzing force, as subsumed by the growing interest in parallel issues, such as forests' role in climate change mitigation.

NFPs have been flexible enough to serve a variety of functions and needs.

The NFP Facility's emphasis on country-driven approaches has let it be used and interpreted in various ways. In half of supported countries, the NFP is seen as a forest policy forum, and an opportunity for greater stakeholder involvement and inclusion. In about a third of countries, the NFP is regarded as the main forest policy framework. On the other hand, some countries perceive the NFP not as a framework or process but primarily as a strategic planning document or as a project. Yet, even in these countries, the concept has provided a useful mechanism for encouraging more open dialogues about forest issues. A key lesson learned is that monitoring and evaluating helps understanding how NFP processes are evolving from country to country.

GFP

GFP is owned by in-country participants.

Building activities on existing studies and processes and focusing on strengthening existing networks has proven essential in creating a sense of ownership for GFP amongst stakeholders. This approach has also anchored initiatives within each country's individual situation. This meant each GFP country has developed its own unique approach to GFP. But in spite of different approaches, the desire to influence policy towards a more equitable use of forest resources has been a central aim and linking force for all countries involved in GFP. . The GFP has strengthened the NFP process in its five pilot countries and has complemented support provided by the NFP Facility.

International interest in involving local people in forest management has increased.

GFP support to international processes, mainly through support of the G3 rights holder groups, has contributed to a growing international momentum for involving local people in forest management. A key lesson has been that linking in-country and local level processes to the global dialogue process, in a way that goes beyond token appearances at international meetings, would help both the donor community and recipient countries exchange experience and messages based on local and national realities.

Networks and partnerships supported by GFP have been strengthened.

Most GFP supported activities have led to increased engagement from in-country partners and local forest stakeholders. This has helped define local priorities, linked to strengthened forest-based partnerships. A major lesson that emerged from GFP support for partnership development is that the identification, building and consolidation of partnerships take a long time. Institutional changes, policy shifts, alterations to social structures and economic status take even longer. This means that support intended to change livelihood conditions of forest dependent people will need to go beyond a year-to-year provision, and requires investment for a significant period to allow the change process to proceed.

GFP has allowed greater coordination of in-country activities and improved provision of technical support.

The GFP has facilitated financial and technical support from a 'Catalytic Group' of cooperating institutions (FAO, IUCN, IIED and the World Bank) and this has proven instrumental in synchronizing in-country projects and activities. Additionally, the different knowledge and skill-sets within these organisations, as well as a complementary suite of in-country staff-members supporting GFP, has jointly boosted the provision of information and technical support to GFP countries. A key lesson from this cooperation has been the great importance of spending time right at the start to develop a common vision. And it has been crucial to have one focal person within each organisation to engage in the partnership and help share information and perspectives from his/her own organisation.

APPENDIX 2

Forest & Farm Facility and cooperation with FAO, IUCN, IIED and WB

منظمة الغذية والزراعة للأمم المتحدة	联合国 粮食及 农业组织	Food and Agriculture Organization of the United Nations		Organisation des Nations Unies pour l'alimentation et l'agriculture	Продовольственная и сельскохозяйственная организация Объединённых Наций	Organización de las Naciones Unidas para la Alimentación y la Agricultura
Viale delle Terme di Caracalla, 00153 Rome, Italy			Fax: +39 0657053152	Tel: +39 0657051		www.fao.org
Our Ref.:			Your Ref.:			

27 February 2012

FAO and the Forest & Farm Facility

FAO has been hosting the NFP Facility (Facility) since its start in 2002 and the Facility's consistent and well-managed operation is a compliment to the Facility team, the financial partners and the able Steering Committee. The type of support that the Facility offers to FAO member countries and local organizations remains a priority for our organization.

FAO has benefitted from this cooperation as it has strengthened the FAO presence in the field of forestry in many countries through its direct links with civil society organizations. It has also benefitted administratively through the cooperation with the Facility in the development of effective management and mechanism for small grants.

The Facility has provided FAO with the means to share and put into practice in many countries the normative and technical work of FAO: manuals, guidelines and capacity building material related to forestry.

We contribute to the Facility's success by providing in-kind support in terms of both professional and administrative staff time both at headquarters but also through our regional and country offices in all the Facility partner countries. We consider FAO one of the largest and most consistent financial contributors to the Facility given the breadth and continuity of our support.

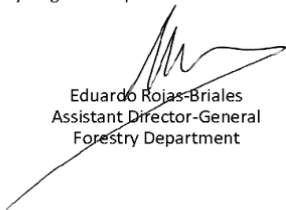
The proposed next phase, the Forest & Farm Facility, will broaden the approach to include support to core FAO objectives like food security, forest and farm management, enterprise development and financing, climate change mitigation and adaptation, biodiversity and bioenergy.

FAO concentrates on working with governments to strengthen governance and management of agriculture, forestry and fishery for improved food security and sustainable livelihoods. The Facility is an important partner to FAO as, through the Forest & Farm Facility, it will have direct access to smallholder, women, community and indigenous peoples groups, important for our support to governments.

As in the past phases of the Facility, FAO will strengthen the Forest & Farm Facility's implementation through:

- Professional and administrative staff at headquarters, regional and country offices,
- Strong and direct links with related government ministries and agencies,
- Established networks, like the Collaborative Partnership on Forests, UN-REDD and many related programmes focusing on food security, nutrition and livelihoods.

In closing, FAO is prepared to continue hosting and working closely with the Forest & Farm Facility. This partnership offers FAO important synergies and provides a necessary tool for FAO to implement its core programme.


Eduardo Rojas-Briales
Assistant Director-General
Forestry Department



IIED AND THE FOREST & FARM FACILITY (FFF)

Over the last four years IIED has been working in conjunction with the National Forest Programme Facility (NFP Facility): (i) through the Forest Connect alliance that supports small forest enterprise, and (ii) through the World Bank funded Growing forest Partnerships (GFP) initiative that has established in-country partnerships and an international dialogue process in support of investing in locally controlled forestry. Both streams of work have resonated strongly with the IIED Forest Team's strategic objective: Locally controlled forestry: Securing livelihoods, justice and sustainability in flourishing forest-linked communities that are able to shape key policies and institutions and adapt to change. If resourcing can be secured, the proposed FFF collaboration presents an important opportunity for IIED to strengthen its work on locally controlled forestry. The FFF contributes to IIED's strategic objective as follows:

- It explicitly sets out unblock hard financial investments into the family, community and indigenous smallholder enterprise sectors through soft investment in right-holder organisation that will increase market credibility and reduce perceptions of risk by helping secure commercial rights through policy engagement.
- It provides a credible international push for more inclusive and better coordinated multi-sectoral and multi-stakeholder processes through which decisions about land use are made, notably those on land use planning, food security, REDD+, FLEGT.
- It has international reach and established efficient mechanisms for channelling resources to right-holder groups.
- It can provide consistency in best practice approaches to the strengthening of right-holder organisations and inclusive multi-sectoral engagements that goes beyond what is possible through bilateral arrangements alone.

Within the FFF programme document there is a strong emphasis on studies, analysis and learning – sharing experience of efforts to strengthen smallholder organisations and multi-sectoral engagement platforms. There is also an emphasis on communication – developing spaces for information exchange amongst stakeholders involved in the Facility. Pending agreement on specific plans, IIED could bring to bear its class-leading expertise in participatory processes, impartial knowledge generation and brokering, action learning and capacity building, communication and media work to assist the FFF with:

- High quality and impartial analysis and knowledge brokering of approaches and tactics to strengthening smallholder organisations and to the creation of inclusive multi-sectoral platforms for engagement – making findings and lessons available to a wide audience.
- Environment and development communication to enhance the global communication strategy of the Facility.
- Global media networks so as to enhance national and international media coverage of the impacts of FFF investments – and help build momentum for change.
- Distilling process lessons as the FFF implementation begins and so help to enhance the operational processes within the Facility Management Team.
- Capacity building through action research and can therefore help emerging stakeholder groups to critically analyse their own situation and develop their own agendas and communication strategies.
- Overseeing independent monitoring and evaluation.

Duncan Macqueen, Team Leader, Forest Team, 24 February 2012

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IUCN and the Forest & Farm Facility

Over the last three years, through the World Bank funded Growing Forest Partnerships (GFP) initiative, IUCN has been working in conjunction with the National Forest Programme Facility (Nfp Facility) to support locally-owned and broadly supported visions for the forest sector at national and international levels, and the facilitation of policy dialogues and national investment prioritization processes. The outcome of this work has been key policy interventions at national level and the establishment of a process for enhanced investment in locally controlled forests. The development of the Forest and Farm Facility (FFF), as the natural successor to the Nfp Facility, has built on the field experiences of GFP implementation and the benefits of working in partnership with FAO, IIED and the World Bank to harmonize in-country projects and activities.

The proposed collaboration of the above partners through the FFF is an exciting opportunity for IUCN to strengthen its work around investing in locally controlled forests, through increased capacity and opportunity to access investments for local people; and improving participation of local groups in decision making processes at national and international levels, through establishment of multi stakeholder processes.

It is foreseen that IUCN's involvement in the implementation of the FFF will enhance IUCN core programmatic delivery through engagement of all of IUCN's constituents by supporting members engaged at field level to strengthen community and indigenous based organisations; targeted engagement of IUCN Commissionsto enhance knowledge; promoting *nature based solutions* to realize the opportunities that 25-30% of the world's forest under local control present - to address climate change and poverty; and providing opportunities for leveraging lessons learnt from field based activities into regional & international policy discussions. Through involvement in the FFF, IUCN's core work on *effective and equitable governance of nature's use* will benefit by being able to leverage lessons to support the development of principles, standards and tools, convening and empowering stakeholders in support of the design of solutions to influence policy, governance and action. The focus of the FFF beyond forests and to farms reflects IUCN's on-going work around forest landscapes and water catchments and its focus to deliver tangible results from nature-based solutions to climate, food and development.

As well as benefitting the core delivery of IUCN's programme, IUCN will also strengthen the delivery of the FFF through having;

- A *strong country presence* with an established track record in supporting multi-stakeholder, forest governance reform processes underpinned by a strong degree of trust among government, non-government and private sector stakeholders;
- Strong *local legitimacy* through its membership base. IUCN actively seeks to incorporate coalitions of local members in the definition and implementation of its activities and in some places, where capacities are adequate, operates entirely through them;
- A solid *knowledge base* within its 6 expert commissions. IUCN regularly deploys members of expert commissions to contribute technical and policy expertise to specific situations;
- An established network of policy-oriented learning field sites.

Collaboration and support to the FFF offers a number of advantages and strong potential synergies that will strengthen delivery of IUCN's programme and fully support and look forward to engaging in this work.

Poul Engberg-Pedersen
Deputy Director General / Managing Director

22 February 2012

The World Bank and the Forest and Farm Facility

In the 4 years since the Growing Forests Partnerships initiative was conceived, we at the World Bank have seen how it has gained important traction in creating a platform for underrepresented local institutions to inform forest policy development at the national level. The synergies which the multiple catalytic institutions have created – IUCN, the National Forest Program facility, and IIED – have been groundbreaking and have closely complemented efforts of the wider development community to make progress on important strategic initiatives in the forests sector.

In particular, we should mention the key role the GFP has played in piloting various approaches for giving voice to indigenous peoples organizations and local communities in forest policy discussions. The GFP demonstrated that a credible vehicle for doing this could be created, and could help level the playing field for these groups. When the Climate Investment Funds steering committee began exploring the potential for launching the Forest Investment Program, we were able to point to the GFP as a mechanism for delivering on a commitment to working with indigenous peoples and local forest communities.

At the time the World Bank's Development Grant Facility steering committee agreed to finance the GFP, the idea was always that the World Bank would only be providing seed money, and that the GFP would gain its own autonomous institutional and financial footing over time. In its initial years, the 'open space' that the GFP created to explore how it could deliver on its objectives was hugely productive in moving a wider agenda forward, but limited the extent to which attention could be given to its eventual institutional placement. In early 2011, when it became clear that the GFP was ready to take the next steps, we at the World Bank were thrilled when the newly appointed ADG of FAO's Forestry Department, Eduardo Rojas-Briales, indicated to the World Bank's Vice President for the Sustainable Development Network a strong institutional interest in hosting the GFP in its next iteration.

Since then, a great deal of time, energy and consultation has gone in to the design of the proposed Forest and Farm Facility, and we welcome the clear vision that emerges from the Programme Document which outlines its objectives, governance structure, and implementing modalities. In particular, we welcome the effort to make the facility something which is more responsive to the needs of people in wider rural landscapes. Whatever we do in the forest will fail if we don't tackle the challenges of the farm, and the landscape approach embodied in the new Facility makes a strong effort to do this.

As we have with the NFP facility, the World Bank commits to working with the new Facility in partnership with on-going initiatives, such as the Forest Investment Program (FIP) and the Program on Forests (PROFOR). We look forward to seeing the Facility move forward.


Juergen Voegele
Director
Agriculture & Rural Development

February 27, 2012

Draft *modus operandi* for support

(for development and decision by the Steering Committee)

The *Facility* will provide direct support to stakeholders through two interlinked instruments, Partnership Agreements and Grants, to be used flexibly depending on the situation in each country and needs of the various local, regional and international stakeholders:

- Partnership Agreements for a period of three years, based on yearly workplans (see also Appendix 3); and
- Facility Grant Contracts for a specific activity implemented within a period of maximum 12 months (see also Appendix 4);

Proposed procedure for establishing Partnership Agreements

At country level

Step 1.

The *Facility* mission, objectives and possible support mechanisms are presented to the Governments of eligible countries by the *Facility* Team with support from in-country staff of FAO, IUCN and WB. Countries are selected on the basis of an Expression of Interest provided by the government, clearly demonstrating government will to i) improve its coordination of forest and farm related policies and initiatives and ii) support improved organization of smallholders, women, communities and Indigenous Peoples (as relevant to the country) in order for those groups to contribute to the national policies and strategies on forest and farm related issues.

Initial countries will be selected based on clearly expressed government will, in order to have good country cases to draw lessons from for the later years of the *Facility*.

Step 2.

The opportunity for *Facility* support is publicized by the *Facility* Management Team with support from FAO, IUCN, WB and IIED representations and their respective partners in eligible countries. Updated information will be posted on the *Facility* Web page.

Step 3.

An organization representing smallholders, communities and/or indigenous peoples, which is willing to take a lead, prepares a Concept Note (with guidance from the *Facility* Programme Facilitators). This Concept note:

- documents how *Facility* objectives are relevant to local smallholders in the country;
- takes stock of how stakeholders are organised in the country and lists the main stakeholder groups, indicating which national and donor initiatives are already providing support, and where the challenges are for further progress; and
- makes a case for *Facility* support, indicating the type of activities to be undertaken, a draft work plan for the first year and the corresponding budget, including own contribution, and explaining how the support would contribute towards the overall objectives of the *Facility*.

Step 4.

On the basis of the eligibility and prioritization criteria set by the *Facility* Steering Committee (see Appendix 3), and published in advance, the *Facility* Management Team prepares a summary of each Concept Note and recommends to the Steering Committee whether or not it is suitable for a partnership. The Steering Committee receives both the summary report and full concept note, and individual Steering Committee members make their own evaluation. The Steering Committee meeting takes a consensus decision on whether or not to enter into a Partnership Agreement.

Step 5.

If approved, the *Facility* and the stakeholder organisation enter into a Partnership Agreement for 3 years that includes clear objectives and a budget.

At regional and international level (steps as above)

Step 1 (not applicable)

Step 2

Same as above, targeted on existing regional and global organisations/federations/alliances.

Step 3.

Interested organizations prepare and submit a Concept Note, making a case for *Facility* support, indicating the type of activities to be undertaken, including a draft work plan for the first year and the corresponding budget, and explaining how the support would contribute towards the overall objectives of the *Facility*.

Step 4.

Same as above.

Step 5.

Same as above.

The *Facility* Management Team will provide guidance on how to prepare the Concept Note (and guidelines will be available on the web).

Proposed procedure for allocating *Facility* Grants

Step 1.

The lead organisation at local, national, regional or international level (a committee, a federation/alliance or in case of cross-sectoral support a ministry or government agency) presents a work plan, including activities and budget for which support is needed. The lead organisation publishes a call for proposals or in another transparent way selects recipient organisations for the grants. The *Facility* Management Team will make sure that the eligibility and selection criteria, basic rules, and the technical content of the activities are in line with *Facility* objectives.

Step 2.

The lead organisation recommends proposals for funding and sends a request to the *Facility* Management Team (together with the evaluation report and the full version of the winning proposals) for comments and approval within the limits of the available budget.

Step 3.

Upon approval of the request, the *Facility* draws up grant contracts (letters of agreement) with the selected organisation or institution, using a standardised format in line with FAO procedures.

For the Incentive Grants to governments, the institution, agency, ministry or department responsible for organising the cross-sectoral initiative presents an annual work plan including activities to be undertaken (number of meetings etc.) and the corresponding budget support needed. Based on this request the *Facility* will draw up a grant contract with the institution.

APPENDIX 4

Draft basic rules for selecting partnership organisations

(for development and decision by the Steering Committee)

Partnership agreements are based on concept notes prepared by national, regional and international formal or informal organisations. Concept notes are expected to define the framework for the *Facility*-sponsored activities as well as the actual state of development, and relate both to the *Facility* objectives. For national organisations the concept note must demonstrate political commitment from the partner country to the objectives of the *Facility* and the initiatives proposed. The concept note also includes an indicative budget for the three year partnership agreement and a work plan for the first year of support.

The number of partnerships agreed will depend on the demands and feasibility presented in the concept notes, the availability of funds in the *Facility*, and the overall capacity of the *Facility* Management Team to manage the whole programme. Around 40 partnerships with national organisations and 15 - 20 with regional and global organisations are anticipated.

Eligibility and Criteria for a Partnership with the *Facility*

Basic rules

1. Forest and farm smallholder organizations (including community, women and Indigenous Peoples groups) in developing countries and in countries with economies in transition that are eligible for Official Development Assistance and also regional and international federations/alliances representing such organizations are eligible for a *Facility* partnership. The list specified in the OECD Development Assistance Committee shall be used (<http://www.oecd.org>).
2. Partnership agreements are established to implement activities for a maximum 3 year period, based on annual work plans. However, the Steering Committee may extend partnership agreements to allow for finalisation activities.
3. The Steering Committee may decide to terminate or put on hold a partnership agreement in case of no or slow progress in implementing the annual work plan. Depending on the content of the agreement signed with the partner organisation, the *Facility* Management Team shall inform such partner organisation that the funds initially reserved for them will be reallocated to new partnerships or for other activities in line with *Facility* objectives. .
4. New partnership agreements may only be established if there is a sufficient budget available to cover the proposed 3 years of activities. In general, a maximum of 400.000 US\$ will be reserved on the trust fund's budget for partnership agreements. The Steering Committee may decide (based on the concept note) to enter into a partnership with less funding.

Criteria for prioritising *Facility* partnerships

1. Degree of commitment by the organizations representing smallholder, women, community and Indigenous Peoples groups. How the proposed activities are contributing to the objectives of the *Facility*.
2. A statement by government, demonstrating support to the activities proposed and the feasibility and importance of the envisaged *Facility* partnership in the country.
3. Quality of the partnership with the *Facility* as proposed in the concept note. Priority will be given to organisations with a clear strategy for the organising process and a sensible vision of the proposed *Facility* support as a complement to external and internal support available from other sources.
4. Expected impact of the proposed partnership. Priority will be given to countries where the partnership is likely to have the highest added value.

Model of a concept note and budget

The *Facility* Management Team will prepare a standard model concept note and budget, and communicate it to organisations at national, regional and global levels.

The level of the indicative annual budget will depend on the proposed activities and will be adjusted to the organisation's circumstances, depending on:

- the likely cost-effective impact of the funds allocated and
- the available external support from other sources.

APPENDIX 5

Draft basic rules for allocating grants

(for development and decision by the Steering Committee)

General

Information on the format and content of applications and of subsequent *Facility* grant contracts will be made available at the *Facility* website. The grant holder is required to report to the *Facility* on finances and activities. This will ensure that the *Facility* can disseminate timely information on activities funded, the results achieved and experience gained. The *Facility* will provide a standardised reporting template to facilitate data entry and comparison.

Basic rules:

1. The beneficiary must be located in a country eligible for support.
2. The beneficiary must be a non-profit making organisation.
3. The activities (in the proposed grant) must support the objectives of the *Facility*.
4. The beneficiary must be ready to provide a contribution, from own or other resources in cash or in-kind, equivalent to at least 10 per cent of the overall support by the *Facility*.

Other criteria to select stakeholder applications for *Facility* grants

The selection aims at grants that provide the highest added value and that play the most catalytic role in furthering the *Facility's* objectives.

To this end, the following broad criteria will be used to assess stakeholders' applications:

1. Degree to which different stakeholders/members of the organisation have participated in the design and formulation of the application.
2. Degree of consistency of the application with the *Facility's* objectives.
3. Quality of the application in terms of
 - a. feasibility and cost-effectiveness;
 - b. competence and capacity of applicant(s) to undertake the proposed activities;
 - c. complementarities' and co-ordination with existing and/or foreseen development programmes supported from internal or external sources;
 - d. sustainability;
 - e. transparency and access to information to all stakeholders;
 - f. foreseen impact of the proposed grant in terms of social, economic, and environmental benefits.

Draft Logical Framework

APPENDIX 6

MISSION <i>To promote sustainable forest and farm management in 40 countries by supporting local, national, regional and international organizations and platforms for effective engagement in policies and investments that meet the needs of local people.</i>				
OVERARCHING IMPACTS	OUTCOMES	INDICATORS OF ACHIEVEMENTS	MEANS OF VERIFICATION	
Accumulated number of partner countries over programme period, 2013 - 2017: Year 1 : 5 Year 2: 15 Year 3: 25 Year 4: 40 Year 5: 40 Improved income and food security of smallholder, women, community and Indigenous Peoples groups, from sustainable forest and farm management.	Local forest and farm organizations of smallholders, women, communities and Indigenous Peoples are strengthened and cooperate in networks, alliances, federations, enterprises or other organizational form as they have decided upon. Local forest and farm organizations have access to financing mechanisms, collaborate with private sector, gain investments and are actively engaging and contributing to local, sub-national and national policy development related to forest and farm management	Organizations at local /community levels: I. cooperate in networks, alliances, federations II. have the capacity and skills to negotiate with government on national policy decisions III. have access to knowledge, new techniques and skills for sustainably managing their forests and farms IV. create efficient and sustainable small enterprises V. benefit from economic activities related to products and services from their forests and farms	Number of formally registered smallholder forest and farm alliances/ federations or other form of organization Invitations, by Government, of the smallholder organizations to national level policy meetings Number of formal small forest and farm enterprises up and running in a sustainable way Change of household incomes and food security of members of the organizations respectively employees of established enterprises (data from the monitoring system)	
	Cross-sectoral collaboration, experience sharing and consensus building established by Government at all levels, for shaping policies that link forest and farm management, food security, climate change, water and energy supply etc.	Government has established and coordinate inter-ministerial multi stakeholder platforms/committees at national level, involving local organisations, civil society organizations and the private sector in dialogue and negotiations on sustainable forest and farm management.	Number of meetings called for by Governments and invitees/participation from other ministries, private sector, and organizations representing smallholder, women, communities and Indigenous Peoples groups.	

OVERARCHING IMPACTS	OUTCOMES	INDICATORS OF ACHIEVEMENTS For	MEANS OF VERIFICATIONS
	National and global agendas and initiatives, such as those on food security, poverty reduction, forest management, illegal logging and trade, biodiversity and climate change, reflect the knowledge and priorities of smallholders, communities and Indigenous Peoples.	<p>National policies and incentives are in place to support smallholders in developing efficient and sustainable enterprises and implementing investments</p>	<p>Established Government incentive programmes for the benefit of investment in small holder forest and farm management</p> <p>Credit schemes established, by Government and private sector, and available to small holders for investments in sustainable forest and farm production</p>
		International and regional organizations representing smallholder-, women-, community- and Indigenous Peoples groups in global fora and negotiations have established communication and information channels to their respective constituencies at national and local levels.	Safeguards, rights and benefits of smallholder, women, communities and Indigenous Peoples groups, in national programmes and global initiatives are clearly documented, informed, monitored and reported upon at all levels (national, regional and international)

