

Frequently Asked Questions

MYANMAR FOREST RESTORATION, DEVELOPMENT AND INVESTMENT PROJECT (FREDIP)

1. Who is the implementing agency?

The Ministry of Natural Resources and Environmental Conservation will be responsible for overall project, and its Forest Department is the project implementing agency.

2. What is the potential World Bank financing amount and project duration?

The World Bank will provide US\$120 million as a low-interest loan. The project also serves as a platform to mobilize grant financing; supplementary grant funding is currently under discussion with donors of one Trust Fund, but not yet confirmed.

This is a six - year project. It is expected to start from July 2021 and end in June 2027.

3. What is the development objective of the project?

The project's development objective is to improve participatory sustainable forest management and increase benefits from forests to communities in target areas.

The proposed project places special emphasis on improving collaborative forest management to increase benefits for forest dependent communities. This is due to recognition of the central role that forests have in Myanmar's economy and for rural populations and also the links of forests with broader national objectives of peace and social inclusion,

4. What are the project priority areas?

The project will support the following types of activities: community forestry (CF), community forestry livelihoods (through support to setting up a revolving grants scheme for Community Forest User Groups (CFUGs), support to creation of enabling environment for private investments in sustainable commercial forest plantations, ecotourism and protected areas support, detection and prevention of illegal forest activities, and institutional strengthening for the Forest Department.

Intended direct beneficiaries of project activities would include Community Forest User Groups, communities living around target protected areas, and sectoral government institutions. **Indirect benefits** will also flow to farmers / rural communities through improved provision of environmental services by forests; national and regional governments; private sector (indirectly through improved enabling environment); and government budgets through enhanced fiscal revenue from value chain developments.

The proposed project has been designed in support of core forest sector objectives to prevent deforestation and degradation of Myanmar's forests as expressed in the Myanmar Restoration and Rehabilitation Program (MRRP). While enhancing efforts for forest restoration, the project aims to promote more employment and economic opportunities for local communities through the establishment of CF initiatives, CF revolving funds, CF Enterprise (CFE) development, support to ecotourism in and

around Protected Areas, including community - based ecotourism, and enabling environment for private sector investments in forest plantations.

5. What are the geographic areas of project?

Geographically, the project will focus on areas with the greatest CF potential (as determined by the MRRP targets). Given the sensitivities around land and forest stewardship, the project will engage only in geographic areas that have no ongoing conflict and are not affected by conflict.

The project will target Ayeyarwady, Bago, Magway, Mandalay, and Sagaing Regions, and Nay Pyi Taw Union Territory, and will support approximately 100 Townships in total for CF activities and up to 10 protected areas in the same target regions.

Implementation of CF activities will be progressive, starting with townships with i) highest CF potential (as determined by the MRRP targets), ii) high incidences of poverty measured through the Multi-Dimensional Poverty Index, and iii) estimated to be hotspots for woodfuel extraction-induced forest degradation, by the end of project implementation, covering all townships with CF potential in each region (with the exception of conflict-affected townships).

6. How will the project directly contribute to local livelihoods?

The project aims to promote sustainable livelihoods of local communities through CF practices (and related CFE development), and through support to community-based ecotourism activities. It also aims to increase job opportunities for communities in plantation establishment, protected areas management activities (as community eco-guards), and wood processing industries. Importantly, the project will support establishment of revolving funds managed directly by the CFUGs that CFUG members can access for financing various livelihoods activities that are consistent with objectives of CF establishment, and have no negative impact to forest conservation and management. The project will engage service providers to provide advice on appropriate livelihoods options that the communities can invest in.

7. How will the project directly contribute to gender equality?

The project will make important contributions toward forest-based livelihoods that benefit both women and men, including ecotourism, by removing women's constraints for forest-based jobs, removing barriers to women's ownership, and ensuring their inclusion and strong voice in decision-making. Several activities will be targeted specifically to ensure improved job opportunities for women, including training, skills development, and increasing their participation in community organizations.

8. What are the proposed project components?

Component 1. **Productive Forests** will accelerate the increase of community forest area through supporting establishment of up to 1,000 new CFUGs and revitalizing up to 2,000 existing CFUGs, investing in implementation of their management plans, and support to CF enterprises, including support for improved market access and potential partnerships with commercial enterprises. This component will also support activities aimed at creating enabling conditions for private investments in sustainable forest plantations.

Component 2. **Community Forestry for Livelihoods** will support existing and new CFUGs targeted under Component 1 (up to 3,000 CFUGs in total), to start and expand their traditional and new sustainable

livelihoods activities through set up of CFUG-managed revolving funds that provide small livelihood loans to CFUG members; the project will also provide related technical assistance and institutional support.

Component 3. **Forest Protection** will strengthen protected areas management for biodiversity conservation, for improved community engagement, and development of nature-based tourism to create job opportunities and revenue generation. The project will support up to 10 existing protected areas (PAs) in the project target regions, with nature-based tourism investments limited to 4 PAs. This component will also support detection and prevention of illegal forest activities in order to contribute to reducing illegal activities in key regions (Bago and Sagaing have been identified as initial priority areas).

Component 4: **Institutional Strengthening and Project Management** will invest in strengthening the efficiency and capacity of the FD as an apex body in the forestry sector, based on priority needs that will be identified through an institutional assessment of the FD, and will finance project management activities, including environmental and social risk management, communications, short-term technical assistance, training, grievance management, financial management, procurement, project management and support staff services, and required goods and incremental operating costs.

Component 5. **A Contingency Emergency Response Component (CERC)** with zero allocation will be created and made implementation-ready to allow the government respond quickly in case of an eligible emergency (such as a natural disaster or a pandemic).

9. How will the project support reform process in the forest sector?

The Government has initiated the reform process to move from a purely extractive wood industry to a more inclusive and integrated forest landscape restoration model with more community ownership and potentially more private sector involvement.

The logic behind the project's design is that by providing ownership and tenure (even if temporary) to communities through community forestry will result in both better integrity of forests and increased monetary and non-monetary benefits to communities from these forests; by supporting improved management of protected areas and creating enabling conditions for ecotourism (including tourism infrastructure and community facilities) the tourism visitations and revenues can be increased and contribute both to the community economic opportunities and improved condition of protected areas themselves; by creating enabling environment for legal timber production and trade, coupled with support on governance and better detection, illegality in the sector can be reduced, resulting in better condition of forests and, eventually, increased fiscal revenues from the forestry sector.

10. Where specifically and how will the project work?

The project will work on the forest land¹ (Reserved Forest, Protected Public Forests) and designated Protected Areas.

All community activities will be implemented in locations proposed by communities and agreed between communities and Forest Department. The project will not work in locations where this alignment/agreement is not found.

The project implementation will follow rigorous stakeholder engagement process following principles included in the Stakeholder Engagement Plan of project.

¹ As defined in the Forest Law 2018.

11. Where can you learn about identified environmental and social risks and impacts of the project and proposed measures for mitigating such risks and impacts?

The environmental and social risk instruments have been prepared to ensure the requirements of World Bank's environmental and social framework (ESF) and Myanmar legislation are fulfilled during implementation of project activities.

Drafts of the Environmental and Social Management Framework (ESMF), Social Assessment, Environmental and Social Commitment Plan (ESCP) and Stakeholder Engagement Plan (SEP) in English and translations of their Executive Summaries in Burmese have been disclosed for public consultations on 27th December 2020 on the website of the Forest Department <https://www.forestdepartment.gov.mm/>. Final copies of these documents, completed based on the results of these consultations and cleared by the World Bank, will be disclosed on the Forest Department website and by the World Bank on www.worldbank.org.

12. Will the project support expansion of permanent forest estate?

The project will not support expansion of permanent forest estate (including Reserved Forests and Protected Public Forests), nor of Protected Areas.

13. Will the project support establishment of government-owned timber plantations?

The project will not directly support establishment of government-owned timber plantations.

14. Will the project provide financial support to private plantations?

The project will not provide direct financial assistance to private plantation investments. It will create enabling conditions for the private plantation investments, including improving policy and regulatory environment, exploring availability of suitable land including mapping land-use and community claims, establishing conflict resolution mechanisms, exploring investments models and setting up a national plantation information system.

15. Will the project engage technical service providers in implementation?

For implementation of CF activities, the FD will partner with technical service providers (by entering contracts with experienced CBOs / NGOs) in order to support FD staff in the planned significant scale up of CF to meet the MRRP targets. Such organizations would provide institutional support and capacity building support, especially important during the initial project period. This will help to accelerate start up and augment technical capacities of implementing units. The project will also finance a management agency required for administration of the revolving fund scheme in support of livelihoods of Community Forestry groups.

16. How will the project support multi-stakeholder coordination and engagement?

The project design emphasises participatory implementation of activities and continued stakeholder engagement through project duration. The CF agenda of the project will be coordinated through the

Community Forestry National Working Group which includes Government and NGO stakeholders. Building on the experience of other Bank-financed projects in Myanmar, the project will support organizing annual multi-stakeholder review meetings.

17. How does the WB provide implementation support to the project?

Throughout project implementation, the World Bank will provide implementation support to the FD on all aspects of the project, including procurement, monitoring and evaluation, financial management, and environmental and social risk management including grievance readiness and gender aspect. The bank's implementation support will also include field monitoring at project sites, review of regular project reports, and advice to the FD to ensure compliance with the project legal agreement. The Bank will do regular assessment of project implementation performance and disbursement status to ensure the project progress towards achievement of project development objective.

18. What is the status of project?

The project is currently under preparation by the Forest Department and the World Bank.

The Project Information Document and the Environmental and Social Review Summary of project at the concept stage were publicly disclosed on the World Bank website since March 4 and March 19, 2020, respectively.

The project approval by the World Bank Board of Directors and the Government of Myanmar is expected by June 2021.