

Cambodia REDD+ Activity Cover Page

Title of Activity:

Establishment of Demonstration REDD+ Fund Management Systems and Development of REDD+ Strategies in the Seima Protection Forest site

Related Activities UN-REDD Workplan:

Outcome 2: Development of the National REDD+ Strategy and Implementation Framework:

- 2.1 Development of individual REDD+ strategies and implementation modalities [Strengthening Forest Law Enforcement and Governance (FLEG) & Strengthening wildlife policy and law enforcement]
- 2.2 Evaluation of co-benefits
- 2.3 Benefit-sharing studies
- 2.4 Establishing REDD+ Fund mechanisms
- 2.6 Safeguards and monitoring of co-benefits

Outcome 3: Improved capacity to manage REDD+ at subnational levels

- 3.2 Pilot Project activities

Project Date: 15 November 2013 to 31 December 2014

Total Project Cost (USD) : \$230,200

**Amount Requested from UN REDD (USD): \$140,400
From Activity 2.3e and 3.2a in UN-REDD work plan.**

Objectives of Activity:

The project will support the national REDD+ process to develop critical aspects of REDD+ strategy and implementation, based on demonstration at, and lessons learned from, the site-based Seima REDD project. The project will specifically provide guidance on (1) REDD+ fund-management mechanisms (UN-REDD National Programme Outputs 2.3 and 2.4); (2) development and implementation of REDD+ strategies by the Forestry Administration (UN-REDD National Programme Output 2.1); and (3) validation and verification of the Seima REDD+ Project Document. The project will assist the UN-REDD National Programme to achieve its goals under Outcome 2 (REDD+ strategy and implementation) and Outcome 3 (REDD+ demonstration).

Brief Description:

The Forestry Administration is developing a site-based REDD project in the Core Area of the Seima Protection Forest. It is a designated national REDD demonstration site. REDD project development is well advanced with validation of the project design currently on-going and expected to be completed in 2014. The proposed project aims to develop and implement the REDD+ fund-management mechanism for the Seima REDD+ Project. Development of REDD+ fund management mechanisms is a key component of Outcome 2 of the UN-REDD National Programme (Outputs 2.3 and 2.4). In addition, the project will provide guidance for the National REDD+ Readiness process on the implementation of REDD+ strategies (Outputs 2.1 and 3.2) by the Forestry Administration, monitoring of biodiversity co-benefits (Outputs 2.2 and 2.6) and will assist the Forestry Administration with the validation and verification of the Seima REDD+ Project Document. The project includes a component that will element increase the availability to national stakeholders of lessons learned so far, by the development, translation and dissemination of key technical reports on the REDD+ process.

Key Outputs:

- 1. Establishment of fund-management mechanisms**
 - Output 1.1 Legal analysis of fund-management mechanisms
 - Output 1.2 Establishment of fund-management mechanism
 - Output 1.3: Policy briefs and capturing lessons learned on the design and implementation of the fund management mechanisms
- 2. Development and implementation of pilot REDD+ strategies by the Forestry Administration**
 - Output 2.1 Improvements to forest monitoring systems
 - Output 2.2 Implementation of an integrated strategy to reduce deforestation and forest degradation
 - Output 2.3: Guidance for the national REDD+ process on pilot REDD+ strategy implementation
- 3. Development of system for monitoring biodiversity in the context of REDD+ implementation**
 - Output 3.1: Design of a monitoring system for biodiversity co-benefits
 - Output 3.2: Policy brief on monitoring biodiversity co-benefits
- 4. Validation of the Project Design and preparations for Verification**
 - Output 4.1: Facilitate the validation audit of project design of Seima REDD+ Pilot project and preparing for verification
 - Output 4.2: Dissemination of the project design and community consultation
 - Output 4.3: Capturing lessons learned from Validation process

	Signature	Name and Function	Date
Developed by:			
Implemented by:			
Approved by:			

CONCEPT PAPER

Establishment of Demonstration REDD+ Fund Management Systems and Development of REDD+ Strategies in the Seima Protection Forest site

1. Objective

Project Objective: The project will support the national REDD+ process to develop critical aspects of REDD+ strategy and implementation, based on demonstration at, and lessons learned from, the site-based Seima REDD project.

2. Expectation

The Royal Government of Cambodia is currently developing a National Programme to Reduce Emissions from Deforestation and forest Degradation (REDD+), based on implementation of the Cambodia REDD+ Roadmap, with funding from UN-REDD, JICA, and other donors. The Seima Protection Forest has been designated as a national pilot under the REDD+ Roadmap to provide guidance and demonstrative activities to the national process.

The Forestry Administration is currently developing a site-based carbon offset project in the Seima Protection Forest, with technical assistance from the Wildlife Conservation Society (WCS), which has supported the FA with the management of Seima since 2002. The Project will be validated against the two leading voluntary market standards – the Climate, Communities and Biodiversity Alliance (CCBA) and the Verified Carbon Standard (VCS). Conservative projections suggest the site can generate emissions reductions of 300,000 tCO₂ per year beyond baseline levels. There are significant co-benefits expected as the site has high biodiversity and livelihood values.

REDD approaches can be implemented rapidly and efficiently in Seima because of the presence of a well-established government/NGO collaboration with existing facilities, core staffing, legal mandate and community engagement program on which to build. This makes it an ideal place to test and refine the approach without lengthy start-up investments. Management at the site already emphasises the formalisation of indigenous land rights (most people in the Core Area are from indigenous ethnic groups) and this will help to guarantee that existing rights are taken into account.

REDD project development in Seima is well advanced. A feasibility study was completed in May 2008, and in October 2008 a formal agreement was made with the FA to implement the project. UN-REDD provided an initial grant to WCS to support the development of the Seima Project Document (PD), which was completed during 2012-2013, and validation of the PD is now underway. Key outputs from the first UN-REDD grant included development of approaches to reduce forestland encroachment, policy briefs on recommendations for benefit-sharing and revenue-management from REDD+, and the establishment of a monitoring system for social safeguards and social co-benefits of REDD+. In addition, the FA and WCS completed a process to obtain Free, Prior and Informed Consent from all 20 communities that use the Core Area (funded by JICA), setting a new standard for consultation processes in Cambodia. This consent and the technical content of the Project Document leave a number of aspects of the design open for further development and capturing learning for other sites in Cambodia as the project moves forward. This is necessary given the highly innovative nature of the pilot work and the evolving nature of the national and international policy frameworks.

This proposal builds on what has been achieved to date with the **aim supporting the national REDD+ process to develop critical aspects of REDD+ strategy and implementation**, with a focus on

(1) REDD+ fund-management mechanisms; (2) monitoring of biodiversity in the context of REDD+ implementation; and (3) development and implementation of pilot REDD+ strategies by the Forestry Administration. Implementation of the grant will support the National REDD+ Readiness process to achieve key results under Outcome 2 (REDD+ strategy and implementation) and Outcome 3 (REDD+ demonstration) of the UN-REDD National Programme. In particular, the project will help to achieve Outputs 2.3 and 2.4 (benefit-sharing and fund-management mechanisms), Outputs 2.2 and 2.6 (biodiversity safeguards and monitoring of co-benefits) and Output 3.2 (site-based demonstration of REDD+ strategies). The development of REDD+ fund-management mechanisms will be undertaken in close consultation with the consultant the UN-REDD National Programme is hiring to work on development of a national REDD+ fund. The project also includes a component that will increase the availability to stakeholders of lessons learned so far, by the development and dissemination of key technical reports on the process. The project will report to, and share experiences with, the REDD+ Taskforce Secretariat in order to support the development of REDD+ readiness in Cambodia.

3. Activities

Output 1: Establishment of fund-management mechanisms

Establishing appropriate mechanisms to manage REDD+ funds is a critical issue, at local, national and international level, and is a critical issue the UN-REDD National Programme (Outputs 2.3 and 2.4). There are two elements:

- i) financial management structures at national level, specific to the Seima site, to ensure effective management of REDD+ funds in a way that rewards proper implementation of REDD+ strategies; and
- ii) local distribution structures to ensure delivery of the portion of the revenues allocated to communities in a way that incentivizes improved forest protection.

The Wildlife Conservation Society (WCS) has completed preparatory work that led to policy briefs on these two elements. The next stage is to establish the fund-management mechanism, so that when REDD+ funds become available in 2014 or 2015, appropriate structures already exist to disperse those funds in a transparent and effective manner.

To implement this, it is proposed to hire a legal team to work with the FA to review the options for a fund-management system, consult with key stakeholders, and agree a framework. Following this, the FA would establish the agreed fund-management system. The project will document the results and lessons learned in policy briefs on the design and implementation of the fund-management mechanisms for submission to the REDD+ Taskforce Secretariat and the FA. This will be the first time such a management system has been established in Cambodia for REDD+ funds, and will serve as a pilot for the National REDD+ Programme. The work will be undertaken in close consultation with REDD+ Taskforce Secretariat and the consultant the UN-REDD National Programme is hiring to work on development of a national REDD+ fund. Dissemination of [policy information](#) briefs will mainly be through the internet, production of printed hard copies and hosting of small group seminars with interested specialists.

Output 2: Development and implementation of pilot REDD+ strategies by the Forestry Administration

Success of REDD at the site (and elsewhere in Cambodia) is entirely dependent on the successful implementation of strategies to reduce emissions from reducing deforestation and stabilising land-use in accordance with the Forestry and Land Laws. Development of REDD+ Strategies by the

Forestry Administration is a deliverable under Output 2.1 of the UN-REDD National Programme, and pilot demonstration activities are covered under Output 3.2. Where deforestation is rapid, boundaries poorly demarcated, protection insufficient, and governance systems remain weak, this continues to present a major practical challenge. Under this project, the FA will first document the drivers of deforestation and forest degradation in Seima, and will then implement a variety of approaches to reduce these drivers, including better rapid-response to new cases of clearance, pre-emptive demarcation of vulnerable areas, testing new demarcation methods, use of new technologies to detect deforestation, applying available legal sanctions to the best effect, and enhancing the effectiveness of existing community-based strategies. The project will trial methodologies such as using Landsat 8 to monitor deforestation in near real-time, law enforcement monitoring using SMART (Spatial Monitoring and Reporting Tool, www.smartconservationsoftware.org), creation of physical barriers to protect forestland (such as ditches), and potentially the use of Unmanned Aerial Vehicles (UAVs) to monitor forestland encroachment. All of these methodologies could be implemented at the national scale. The results and lessons learned from the project will be shared with the REDD+ Taskforce Secretariat, and particularly FAO because they are leading on the MRV component. [An information-policy](#) brief will be written summarizing the identified drivers of deforestation and forest degradation, the response mechanisms trialed, and the effectiveness of the different mechanisms.

Output 3: Development of system for monitoring biodiversity in the context of REDD+ implementation

Clearly documented biodiversity co-benefits are important to a variety of stakeholders, national decision-makers and prospective buyers of carbon credits. Development of approaches to monitor biodiversity co-benefits are deliverables under Outputs 2.2 and 2.6 of the UN-REDD National Programme. This project will demonstrate a cost-effective way of tracking the co-benefits flowing from the REDD work through design biodiversity surveys which provide rigorous information on key species and habitats. The FA has been implementing a long-term biodiversity monitoring program in Seima since 2006, and this is therefore an ideal place to document appropriate methods.

Output 4: Validation of the Project Design and preparations for Verification

With the support of WCS, the FA has completed the Seima Project Document, and MAFF has initiated the validation process. The next stage is to support the FA through the validation process, which is expected to take 6-9 months. This will include: (1) community consultations around the project design, building on the already completed FPIC process; (2) reviewing the Project Documents, technical annexes and associated reports with key stakeholders to provide support to validation audit; and (3) helping to provide responses to validation comments; and (4) development of final approved version of the Project Design. The community consultation process will be particularly important, because a high standard of consultation and stakeholder engagement was established through the completed FPIC process, and these standards should be maintained.

Through this process, the FA would build their capacity regarding the technical emissions reductions calculations that under-pin the REDD+ project, and experience with managing consultation and review processes. These lessons learned will be captured and used to provide guidance for the National REDD+ programme. Dissemination will mainly be through the internet, production of printed hard copies and hosting of small group seminars with interested specialists. [The lessons learned will include an information brief on total costs for establishment of a REDD+ project and bringing CO2 emission reductions to the voluntary carbon market.](#)

4. Outputs:

Project Components and their links to the UN-REDD National Programme Outcomes

<i>Project Output</i>	<i>Relevant to the following UN-REDD National Programme Outcomes</i>
Output 1: Establishment of fund-management mechanisms	Outcome 2: Development of the National REDD+ Strategy and Implementation Framework: 2.3 Benefit-sharing studies & 2.4 Establishing REDD+ Fund mechanisms
Output 2: Implementation of pilot REDD+ strategies by the Forestry Administration	Outcome 2: Development of the National REDD+ Strategy and Implementation Framework: 2.1 Development of individual REDD+ strategies and implementation modalities [Strengthening Forest Law Enforcement and Governance (FLEG) & Strengthening wildlife policy and law enforcement] Outcome 3: Improved capacity to manage REDD+ at subnational levels
Output 3: Development of system for monitoring biodiversity in the context of REDD+ implementation	Outcome 2: Development of the National REDD+ Strategy and Implementation Framework: 2.2 Evaluation of co-benefits & 2.6 Safeguards and monitoring of co-benefits
Output 4: Validation of the Project Design and preparations for Verification	All of the above and also Outcome 1: Effective National Management of the REDD+ Readiness process and stakeholder engagement in accordance with the Roadmap principles: 1.4 Stakeholders provided with information on REDD+ and the National REDD+ Readiness process [Documentation and dissemination of lessons learned from pilot REDD+ projects]

Project Deliverables

Output 1. Establishment of fund-management mechanisms

- Legal framework for proposed fund-management mechanism
- Draft legal documents to establish the fund-management mechanism for approval by the Royal Government
- [Policy Information](#) briefs and capturing lessons learned on the design and implementation of the fund management mechanisms

Output 2. Development and implementation of pilot REDD+ strategies by the Forestry Administration

- Summary document of the drivers of deforestation and forest degradation in Seima
- [Policy Information](#) briefs for the national REDD+ Readiness process on the REDD+ strategies trialled in Seima, with an assessment of their effectiveness at reducing the drivers of deforestation and forest degradation.

Output 3. Development of system for monitoring biodiversity in the context of REDD+ implementation

- [Policy Information](#) brief on monitoring biodiversity co-benefits in the context of REDD+ implementation

Output 4. Validation of the Project Design and preparations for Verification

- Validated Seima REDD+ Project Document
- Lessons learned brief on the results of the Validation process

- Draft documents for Project Verification
- Information note with overview of total costs of bringing CO2 emission reduction to the voluntary carbon market.

Proposed Milestones and Payment Tranches

Tranche 1: \$25,000 – on contract signing

Tranche 2: \$25,000 – three months after contract signing

Tranche 3: \$50,000 – on completion of the following deliverables: (1) Legal framework for the proposed fund-management mechanism; (2) assessment of drivers of deforestation and forest degradation in Seima and appropriate REDD+ strategies to be trialled; (3) Policy brief on monitoring biodiversity co-benefits.

Tranche 4: \$50,000 – on submission of a satisfactory final report including all the deliverables.

5. Roles and Responsibilities

The key partners in the project are:

- The **Forestry Administration** of MAFF is the lead government agency. The FA has actively managed Seima since 2002 when the site was declared as the Seima Biodiversity Conservation Area by Ministerial decree. In 2009, the status of the site was upgraded to the Seima Protection Forest under Prime Ministerial decree. Management of Seima is under the responsibility of the Department of Wildlife and Biodiversity (DWB) within the FA. Under this project, the FA will be responsible for overseeing all activities, implementation of REDD+ strategies and establishment of the fund management mechanisms.
- The **Wildlife Conservation Society (WCS)**, an international, not-for-profit, tax-exempt organization, has supported the FA with the management of Seima since the initiation of activities in 2002. WCS has operated in Cambodia since 1999 under a joint MoU with MAFF and MoE, and currently supports seven projects across three major landscapes. Within these projects, WCS uses a science-based approach in developing and applying innovative approaches to conservation, some of which are now being used by the government as models for other areas. WCS supports the FA in Seima under a Project Agreement signed with MAFF. Under this project, WCS will be responsible for implementation of the grant and provision of technical and financial support to the FA.
- **Local communities**, many of whom are from the indigenous Bunong minority, have clear rights to use the Seima forests and ownership of some areas under Indigenous Communal Land Titles. The FA and WCS have already undertaken an extensive 18-month period of community consultation based on the principles of Free, Prior and Informed Consent (FPIC). These consultation mechanisms will be continued through this project to ensure that local stakeholders are accurately informed and actively engaged in the interventions.

6. Budget

	Budget Items			Amount requested from UNDP/ UNREDD		Co-financing		Total
	Description	Unit Cost	Number of units	Fund source	Amount	Name of Organization	Amount	
Output 1: Establishment of fund-management mechanisms				UN-REDD (\$21,500) & UNDP-TRAC (\$16,000)	37500		0	37500
Output 1.1 Legal analysis of fund-management mechanisms	<i>Technical Assistance time/month</i>	\$5,000	1	UN-REDD	5,000			\$5,000
	<i>Legal analysis and costs (consultancy)</i>	\$6,000	1	UNDP-TRAC	6,000			\$6,000
	<i>Consultations (10 people x \$16 x 2; plus travel for 10 people x \$50; plus \$180 for supplies and printing)</i>	\$1,000	2	UN-REDD	2,000			\$2,000
Output 1.2 Establishment of fund management mechanism	<i>Lawyers (consultancy)</i>	\$10,000	1	UNDP-TRAC	10,000			\$10,000
	<i>Public consultations (central)/meeting (10 people x \$16 x 2; plus travel for 10 people x \$50; plus \$180 for supplies and printing)</i>	\$1,000	1	UN-REDD	1,000			\$1,000
	<i>Public consultations (local)/meeting (38 people x \$16 x 2 days; plus travel 38 people x \$20; plus \$24 for supplies)</i>	\$2,000	5	UN-REDD	10,000			\$10,000
Output 1.3: Policy briefs and capturing lessons learned on the design and implementation of the fund management mechanisms	<i>Technical Assistance time/month</i>	\$5,000	0.5	UN-REDD	2,500			\$2,500
	<i>Printing/document</i>	\$1,000	1	UN-REDD	1,000			\$1,000
Output 2: Implementation of pilot REDD+ strategies by the Forestry Administration				UNDP-TRAC	75400	WCS	71,900	147,300
Output 2.1 Improvements to forest monitoring systems	<i>GIS and database officers/month</i>	\$1000	14		5,000	WCS	9,000	14,000
	<i>Satellite imagery, hardware/software</i>	\$3,000	4		3,000	WCS	9,000	12,000
Output 2.2 Implementation of an integrated strategy to reduce deforestation and forest	<i>Meeting costs/month (30 people x \$16 plus \$20 for supplies)</i>	\$500	10		3,000	WCS	2,000	5,000

degradation	<i>Monitoring costs/field expenses (20 people x 10 days/month x \$16; plus Fuel at 20 people x 10 days/month x \$8; plus \$200 for printing and supplies)</i>	5,000	18	60,000	WCS	30,000	90,000	
	<i>Equipment/sets (1 motorbike @ \$1,800, plus 6 cameras @ \$100)</i>	\$2,400	1	2,400			2,400	
	<i>Technical Assistance time/month</i>	\$3,650	6		WCS	21,900	21,900	
Output 2.3: Guidance for the national REDD+ process on pilot REDD+ strategy implementation	<i>Visit costs/month (Fuel \$300; plus 10 people x \$16; plus \$40 for supplies)</i>	\$500	4	2,000			2,000	
Output 3: Development of systems for monitoring biodiversity during REDD+ implementation				UN-REDD	17500	WCS	5,000	22500
Output 3.1: Design of a monitoring system for biodiversity co-benefits	<i>Technical Assistance time/month</i>	\$5,000	1.5	2500	WCS	5000	7,500	
	<i>Field costs/ team-months (10 people x 18 days x \$16/day; plus \$120 for supplies)</i>	\$3,000	4	12000			12,000	
Output 3.2: Policy brief on monitoring biodiversity benefits	<i>Technical Assistance time/month</i>	\$5,000	0.5	2500			2,500	
	<i>Printing/document</i>	\$500	1	500			500	
Outcome 4: Validation of the Project Design and preparations for Verification	<i>Subtotal</i>			UNDP-TRAC	10000	WCS	12900	22900
Output 4.1: Facilitate the validation audit of project design of Seima REDD+ Pilot project	<i>Consultants</i>	3000	6	6,600	WCS	11,400	18000	
Output 4.2: Dissemination of the project design and community consultation	<i>Printing summaries of project documents</i>	\$600	3	1,800			1800	
	<i>Meeting costs/meeting (30 people x \$16 plus \$20 for supplies)</i>	\$500	1	500	WCS	1,500	2000	
Output 4.3: Capturing lessons learned from Validation process, and preparation for project Verification	<i>Publication of lessons learned documents</i>	\$550	2	1,100			1100	
Sub-total				140400	WCS	89,800	230200	
				UNDP-TRAC	101,400			
				UN-REDD	39,000			

7. Time frame

	2013						2014												
	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	
Output 1: Establishment of fund-management mechanisms																			
Output 1.1 Legal analysis of fund-management mechanisms																			
Activity 1.1.1 Drafting of a legal review paper reviewing options for a structure at national level			x	x	x														
Activity 1.1.2 Consultations with government stakeholders on legal options, selection of a structure, and agreement on a framework for implementation				x	x		x												
Output 1.2 Establishment of fund management mechanism																			
Activity 1.2.1 Preparation of draft government legal documentation on the fund management system for approval by government							x	x											
Activity 1.2.2 Implementation of necessary legal and institutional structures and operating procedures for revenue management									x	x	x								
Output 1.3: Policy briefs and capturing lessons learned on the design and implementation of the fund management mechanisms																			
Activity 1.3.1 Writing and dissemination of policy briefs								x		x									
Output 2: Development and implementation of pilot REDD+ strategies by the Forestry Administration																			
Output 2.1 Improvements to forest monitoring systems																			
Activity 2.1.1 Integrate field patrol reporting systems, community liaison meetings and satellite imagery inspection to improve rapid response systems for deforestation and forest degradation	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Output 2.2 Implementation of an integrated strategy to reduce deforestation and forest degradation			x	x	x	x	x	x											
Activity 2.2.1 Community meetings, field inspections and updated mapping of problem areas			x		x		x	x	x		x								
Activity 2.2 Facilitation of solutions with relevant stakeholders; demarcation of negotiated boundaries, planning for forest regeneration activities							x	x	x	x	x	x	x	x	x				
Output 2.3: Guidance for the national REDD+ process on pilot REDD+ strategy implementation																			
Activity 2.3.1 Supporting study tours to visit Seima and dissemination of experiences to Forestry Administration officials		x	x		x		x		x		x		x		x		x		
Output 3: Development of systems for monitoring biodiversity during REDD+ implementation																			
Output 3.1: Design of a monitoring system for biodiversity co-benefits																			
Activity 3.1.1: Design of a biodiversity monitoring system, building on previous monitoring work at the site			x		x	x									x	x	x		
Activity 3.1.2 Reporting and dissemination of design											x	x	x	x	x				
Output 3.2: Information Policy brief on monitoring biodiversity co-benefits																			
Activity 3.2.1: Writing and dissemination of the policy brief														x	x	x			

	2013						2014												
	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	
Output 4: Validation of the Project Design and preparations for Verification																			
Output 4.1: Facilitate the validation audit of project design of Seima REDD+ Pilot project and preparing for verification																			
Activity 4.1.1 Review of Seima VCS and CCBA Project Documents, technical annexes and associated reports with key stakeholders to provide support to validation audit	x	x	x																
Activity 4.1.2 Responses to validation comments, and development of final approved version of the Project Design						x	x	x											
Activity 4.1.3 Preparation activities as appropriate for the project verification.														x	x	x	x		
Output 4.2: Dissemination of the project design and community consultation																			
Activity 4.2.2 Dissemination through websites, distribution of hard copies and/or training events as appropriate	x	x						x	x	x									
Activity 4.2.2 Development of dissemination materials for community information and consultation.	x	x						x	x										
Activity 4.2.3 Community consultation events on Project Design, capture and dissemination of community feedback and comments, and lessons learned.		x							x							x			
Output 4.3: Capturing lessons learned from Validation process,																			
Activity 4.3.1 Completion of lessons learned document from the experiences of the validation process							x	x	x										