

FP026 Sustainable Landscapes in Eastern Madagascar (Conservation International/European Investment Bank), Madagascar

CSO comments on the project given as intervention during the 14th GCF Board Meeting, October 2016

- We understand that the project proposal is meant to pay for a set of activities to reduce GHG emissions (phase 1 and 2). However, the proposal also mentions carbon ownership. What is meant when the proposal says that the sole ownership of carbon credits belongs to the GCF? The production of carbon credits should not be considered as part of this project, and returns on the GCF investment should not be made in the form of carbon ownership. The GCF has no policy on carbon credits or how to handle those, so it would be premature to consider this. It is also not clearly stated how a project of this nature (phase 1 REDD+) would generate credits (phase 3 REDD+).
- We welcome that the proposal will work on *improving technologies and markets in the agricultural sector* but also call for it to elaborate how it is intending to contribute to improving land tenure among smallholders.
- In a dialogue with EIB, they mentioned that Free, Prior, and Informed Consent is included in their Environmental and Social Governance standards. However, this is inadequate. The FPIC process for Indigenous Peoples should be applied at all stages of the project and not only when there are potential impacts to access to land or resources, as suggested in the Funding Proposal.
- We urge caution with regard to the for-profit activities of the Madagascar Climate Change Trust Fund. The proposal is unclear as to where the profit will go; more information is needed.
- With regard to slash and burn practices, it would be worth noting other potential causes of deforestation in the area aside from climate change. What is the role of commercial logging? And what is the reason that smallholder farmers revert to traditional practices of slash and burn? This should be more clearly understood, especially with regard to cultural context, in order to address the core problem.
- The institutional set-up -- with the accredited entity and the NDA playing lead roles in project execution -- raises some questions about the clear division of roles between oversight and actual implementation. Project oversight bodies such as the proposed advisory group lack any broader CSO involvement beyond the organizations involved in the execution.
- The proposal rightly acknowledges the risks of disputes over land tenure, creation of perverse incentives for deforestation, and the environmental impacts of small scale infrastructure for renewable energy on access to resources by local people. This again provides a strong case for calling for a GCF environmental and social management system as a matter of urgency.