
Session 2 –Challenging multilateral and bilateral finance for REDD+ towards effective readiness and beyond – Q&A Session

Q&A Session

(Q1: ITTO, Dr. Ma) I have one question to Mr. Tao Wang. According to timeline, one of your aims is funding the proposal and the first round will be approved in October before COP21 in Paris. Also, you mentioned some information. My question is what kind of projects will be included in the GCF? When I look also your presently include some REDD+ programs outcome. That is more focused on the verified ton of CO₂ equivalent. The project results-based payment looks like the main outcome but, as far as I know, most of the projects are still looking for capacity building. How do you link such a capacity building project into your logical framework model, which just verified mostly the five activities where the ton of CO₂ is the indicator? However, as I mentioned, many of the countries are still looking for capacity building. What would be some of your advice? Also, I would like clarification about the accreditation entity. You mentioned around 30. Is it correct that you only received 30 applications?

I have another question to Dr. Baroudy from the World Bank looking forward in the context of promoting the general financing for sustainable land use in the future. You highlighted very much the importance in the future of long-term and durable emission reduction. What kind of some policy and project intervention will be priority from the World Bank side?

(Q2: Woodmiles Forum, Mr. Fujiwara) I have a question addressed to Mr. Tao Wang. In fact, I have two questions. In the final slide material, you said that forestry projects are low cost. However, when you look at the entire projects how do you compare forestry project and the other sector projects in terms of the costs per unit reduction of emission? This is my first question. When you select certain projects, do you prioritize more effective projects amongst others? Is it a very strong motive in prioritizing projects for financing?

(Q3: Forestry Agency, Mr. Hori) I have one very simple question to Mr. Wang. I have been involved in this climate change process for a while and many of the funds are there for readiness capacity building and project demonstrations. What is the main difference from your own program to all those existing others starting from capacity building and readiness? Probably Dr. Baroudy can help him from your side how different it will be.

(Mr. Wang) The first question is about what kind of projects that Green Climate Fund will support and what kind of capacity building the fund can also contribute to. In terms of the kind of projects,

we are very open to all kinds of projects in different sectors. As I mentioned in my presentation, there are eight impact level results areas. The projects that can achieve results in any of these eight areas are eligible to be considered for funding.

In the meantime, as you may already have seen from my presentation, there are six investment criteria in the Fund's investment framework. We are really aiming to find the projects or programs that can achieve paradigm shift potential as a game changer. The \$10 billion, compared to the needs to tackle climate change, is a drop in the ocean. Therefore, we really want to utilize these resources in a catalytic way. We also expect the projects or programs that are coming forward also can play a catalytic role in achieving impact and results beyond the proposed one-off activity.

Capacity building: there are two ways that you can engage with the fund to seek support on capacity building. One is the readiness program that I mentioned in my presentation. This readiness support is aiming to help the country first establish their institution as a national designated authority or focal point. Two is to help build the capacity of the national level entities so they can directly access GCF funding. Three is to help the country identify the strategic frameworks and priorities for the country. These are the areas that the Green Climate Fund can really make a difference to help the country work. The fourth area is work with the country counterparts to help them build a project program pipeline. These are the kinds of capacity building activities we can contribute to under the readiness program.

Then, I think that it is also possible that an accredited entity or intermediary submits a proposal on technical assistance or capacity building. However, we would like to see that this kind of technical assistance is really closely linked to tangible investment opportunities on the ground.

(Mr. Miyazono) I need one clarification. You were saying that the Green Climate Fund can be utilized both for readiness activity as well as results-based payments. Am I correct?

(Mr. Wang) That is correct.

(Mr. Miyazono) Dr. Ma asked about the 30 applications that you have received and whether this figure is correct or not.

(Mr. Wang) We have received 30 applications so far, but the level of comprehensiveness and quality of the applications varies. For us to go through the whole process of accreditation, having the accreditation panel and committee review these applications, there is a series of information, documentation, and evidence that need to be submitted. Therefore, I think that not all the applications can complete the accreditation review process and then be submitted for the next Board meeting in March. We envisage that a subset of these applications will be able to reach the stage where the entities can provide a complete set of information for the accreditation panel and the committee to

review and then for the Board to consider and approve.

This accreditation process actually in other climate related funds usually takes at least six to nine months. We are actually trying to reduce the timeline to three to four months.

(Mr. Miyazono) Just for you information, my organization, JICA, may also submit application in the near future.

I would like to give the floor to Dr. Baroudy.

(Dr. Baroudy) I think the question to me was mainly about general finance for forestry and the priority for the World Bank. For the World Bank, the forestry sector and REDD+ is very important because our main mission is one of reducing poverty. We do believe that any work in the forest sector and in REDD+ has tremendous opportunities for countries in terms of rural development, reducing poverty, and achieving green growth. There are many elements that we think are important in the forestry sphere that really are related to the importance of sustainable development. For us that is a big priority.

What are we doing to reach these goals? We have over \$1.5 billion of funding that we are directing towards REDD+. I mentioned some of our instruments, but I did not mention the amount of funding, so \$1.5 billion is relatively significant. I say 'relatively significant' because it is an important start but there is much to be done and I think here there is a nice alignment with the Green Climate Fund.

For us, the importance, even of our own instruments, is to make sure they can be applied to achieve a change at a big scale. This is because one of the things that we worry about at the World Bank is that a lot of our interventions today from climate finance have been in projects, but that in order to achieve at scale and to make an impact both on the ground and in terms of climate, we need to do more to bring those packages together to achieve that. Definitely the points I mentioned in our presentation we are bringing to bear within our own organization.

I was very interested to hear what Mr. Wang mentioned from the Green Climate Fund. Within the international process such as the funds at the World Bank and other UN organizations such as UN-REDD there is a lot of work that has been done to date. We have in the Forest Carbon Partnership Facility alone 47 countries undergoing a national REDD+-Readiness process. I'm sure with Mr. Wang in charge of the helm at the Green Climate Fund on these issues, what has started, I hope can be picked up on. I think it is important that what the countries have invested are their national strategies, , the hope is that they can be aligned with where the Green Climate Fund is going.

I think there are some similarities, but there are also some differences. I think this is where we need to be working together to see what is in the best interest of countries to achieve this scale. We are at the start of this process. I do not know if Mr. Wang agrees, but I think we are all still learning. We

are all still trying to understand how REDD+ finance can be deployed in the interest of countries to achieve what we really need, which is a change in business as usual. It is a change in how countries think of their trees. They should not be thought of having no value. They should really be part of an integrated national planning process to think through how the country can achieve its development but in a real sustainable manner. There is a lot of work still to do. This is an appeal to everybody in the room that we still need to think carefully about how we can achieve these goals because we are only at the start of this process.

(Mr. Miyazono) Since the majority of the Japanese audience today is from the private sector, maybe they would like to ask questions to the World Bank or GCF.

(Q4: IGES, Dr. Yamanoshita) Not necessarily from the private sector, but this question is related to the private sector so let me address this. This is a question to Dr. Baroudy of World Bank. You talked about large scale to reduce the emission. I think it is a very viable and realistic especially when it comes to emission reduction. We should not focus on what action would lead to the reduction of emission, but we have to take a more comprehensive view. In the meantime, this kind of funding mechanism from the investors' perspective, for example, be it a large country or large investors used to be involved in this scheme. However, currently at World Bank, there are several funds and the forest investment funds as well. How are you intending to position private sector financing and how are you intending to mobilize private sector financing? Do you have any plans? Do you have any example that you can share with us today? That is the first question.

The second question refers to Professor Takamura's presentation earlier. In order to prioritize REDD+, we need to actually quantify co-benefits. In your presentation, you also referred to the importance of the co-benefits of REDD+. At least that is what I understood. As to how to quantify co-benefits, do you have any plan or suggestions? I know that this is a very difficult area and this can be costly, but as a fund or as the investment criteria, are there any discussions going on regarding the quantification of co-benefits?

(Q5: Nagoya University, Prof. Takamura) I have two questions going to Mr. Tao Wang. I see that the GCF is now going to move toward financing the verified reduction program. My question is what methodology are you going to use and if you have not yet decided, how are you going to elaborate? Actually, there are a lot of existing undertakings including under the World Bank and others so how will such existing undertaking reflect in your elaboration of the methodology?

(Q6: CIFOR, Dr. Sunderlin) My question is directed to Dr. Baroudy. If I understand you correctly, over time, results-based financing will increase and then decrease. Correspondingly, finance for

sustainable land use will increase. I wonder if you could say something about this assumption. I think I understand why, but it would help me to understand.

I have a question for Mr. Tao Wang. I am wondering if there is a similar logic in the operation of the Green Climate Fund, namely that results-based financing might decrease over time.

(Dr. Baroudy) I wanted to pick up on a couple of points, if I may, including the one that was made on the private sector. I do not get the translation, but I think, Hiroki-san, that you mentioned it was covered by us. However, I was also curious how the GCF does it because Mr. Wang mentioned this, but did not elaborate very much.

From the perspective of the World Bank, aligning and bringing in private sector finance is important. By the sheer scale of the work that we are attempting to do, if we do not have all finance streams deployed, we are going to struggle. We also need a different mindset for how the private sector is operating. From the private sector side, I think there are a couple of important issues, how are they conducting their business, do they believe in deforestation free supply chains? We are seeing big shifts in this but also if we can be clever about how we leverage finance then I think that would be in the interest of achieving scale.

There was a question on results-based finance and this decreasing over time. I think we will see how these patterns evolve. From the perspective of the fund, I speak also from experience on this. I think it is really important to build in the sustainability angle without reliance on total finance streams, or climate streams. I think this is important. We had this concern in the early days of the Clean Development Mechanism that we were causing a dependency on the climate finance or carbon finance. It is not true. What we need to do is shift the “business as usual” model into a sustainable one. It is not just sustainable from an environmental perspective but from an economic one. I think these are important features to build into programs. That is why I see that there would be an evolution in how climate finance would work. Of course, this will vary from program to program and country to country, so it is something to look into, but I think the main point here is to build in sustainability, both economic, financial as well as environmental, into programs.

(Mr. Wang) I did not get the private sector question because I am afraid I did not hear the translation.

I can emphasize that the Green Climate Fund is really committed to working with the private sector. Two examples: one is that we have a Private Sector Facility which is dedicated to working with the private sector directly in undertaking climate mitigation and adaptation activities. Another example is that accreditation is open to private sector entities. In fact, I mentioned the 30 applications we have received so far, and a significant portion of those come from the private sector. This is one unique feature in which the Green Climate Fund sets itself apart from the other funds or facilities. Private sector accounts for 70% of the global GDP and is the area that we need to closely engage and leverage.

The second question on methodology: as of now, on the results-based payment mechanism, we only have a high level guidance which is to be in line with the methodological guidance from the Warsaw framework. We have not delved into the details about what kind of methodological requirements that we will need to set in this results-based payment mechanism. What we know for sure is that first we will need to capitalize on the methodological framework that has been established by other funds or institutions, for example, by the carbon fund of the FCPF. Number two is that we aim to really make ourselves fully aligned with the COP guidance in this regard and also aim to be flexible and pragmatic in this aspect. We do not yet have full details. That is part of the issues or subjects we will need to think through and flesh out in the next few months when we operationalize the Green Climate Fund REDD+ results-based payment mechanism.

Then, the last question is the pattern of the results-based payment versus underlying financing. We agree to the points made by Dr. Baroudy. The REDD+ activity requires a series of sources of financing. Phase I, II, and III are not necessarily linear. What the Green Climate Fund aimed to do is to build on the experience and expertise established by the other funds and facilities. A lot of the Board members that I have talked really place an emphasis on the results-based payment mechanism in the REDD+ area. They see this has a clear linkage to results. This is one way of achieving the results in a very effective manner. The message is clear that forestry and land use and the results-based payment mechanism will be one priority area for the Fund. We want to operationalize it soon aiming to reach big impact and results.

(Mr. Miyazono) Before closing the morning session, I would like to say a few words and especially on the Carbon Fund of FCPF. I really appreciate all the effort done by the World Bank. You are always leading the innovative mechanism of REDD and the methodology approach. In that regard, one of the unique points of this carbon fund is that it sets up a results-based payment mechanism for sub-national and national approach. We can see a lot of good example of the project-based approach under VCS and many others. However, this World Bank Carbon Fund is the first kind that focuses on the sub-national approach. We really like to see what will happen and how the World Bank can manage this difficult issue.

One more thing, I was in Vietnam last week. As you know, Vietnam is one of the pilot countries and a pipeline country in the carbon fund. Although we have colleagues from Vietnam here, at the moment, Vietnam identified six provinces as a target area of this carbon fund. We at JICA are also running the forestry project in the same area under JICA's long scheme. What we are trying to do now is to combine our initiative with FCPF to maximize the synergy and also to scale up the financing. Of course, it is still under discussion on the Vietnamese side but, as Dr. Baroudy said, if we just look for the grant aid or the pure money, probably it is not enough. We always have to think about the different portfolio including how we can effectively utilize our loans and so and so.

HM: My last message is to Mr. Wang. You did not clearly say how much money will be allocated for REDD, but I believe you said that the LULUCF including REDD is one of the priority areas among eight sectors. It means more than 10% of the total money from GCF will automatically come to REDD. That is my hope.

Q&A Session 2

(Q1) This morning we discussed about the two approaches: one is a market approach as well as bilateral and multilateral approaches. I just wanted to know from you personally why the market approach does not really work at the moment. Is it because of the price of the carbon is too low or because of the modalities that we have to adhere to are too stringent?

(Dr. Sanz-Sanchez) I would not say it is not working. I will say it is in its infancy for REDD+. I will say that, in my view, it will have to be there, but it will not be able to address all of those financial needs, and it should not. This is because, in my view, countries will have to create these enabling environments in terms of policies that will allow for the private sector to come in and sustain some of the activities. However, it is also the government's responsibility to do some investments. I think the inflection point where we are is how we ensure that we trigger these processes; that the governments and the institutions understand that this is a very important thing and that they have to sort of co-finance that so that the domestic public finance jump at the appropriate time to be able to create this enabling environment where markets will be able to operate and to subsidize some of their things.

I think that was a dream, not only for developing countries, but for developed countries as well. Markets alone are not going to solve all your problems. It is your responsibility as citizens and as governments to do things right. Markets are just a tool, but not the only one. I do not think markets are not working. I think that we should try to make them work better than in the past and just try to trigger the right processes, also on governments. They will become adults. It is like when you accompany a child. The child has to grow. If the child does not grow, you can buy them a very fancy computer, but he will not be able to use it. You can bring a market to the child, but he would not be able to use it in the right way. I will caveat your question. I do not think it is not working. I think we have to make them work right.

(Mr. Miyazono) I have one question to Maria. You showed us that the process of REDD+ development is not linear. It is like a cycle. Even this morning, the World Bank showed the same view regarding the REDD+ as a sequence. If we agree with you that this is a kind of cycle, it means that we always try to find out a better solution and the better approach.

However, even so, if a country, for instance, wants to be eligible to receive any kind of

result-based payment, there must be a certain minimum requirement or minimum standards in order for the country to be eligible to get the result-based payment. It means that, at the first stage, this minimum requirement might be a very, very low level. In the long run, as you said, because of some technology development for the monitoring system, because of the good governance, because of some new approaches, maybe the level of requirement might become high. At that time, a country will be eligible again to get more financing.

When you say cycle, sometimes people may misunderstand. If this is just a cycle approach, then we cannot get any result-based finance forever. What do you think about this kind of cycle model? In other words, to overcome this problem, what needs to be decided by international society for the country to be eligible for result-based payment?

(Dr. Sanz-Sanchez) What we have today when I asked this question 'Where do we stand?' it is quite interesting because first of all there has been lot of flows for capacity building, which is always a challenge. The beauty of this process now is that you have this possibility of demonstration and you are testing some finance in there. For example, the Carbon Fund is testing markets. After this test you will have few or many countries going through the Carbon Fund with these methodologies, which maybe a little bit restrictive, showing that they can present robust minimum results that are robust enough for result based payments.

Later, those same countries may think of improving and then they will become more robust. In my view, it is already happening. What we have to be very, very careful about is to understand that we are in a test period where things are tested. We have to be patient that the countries can have the chance and the time to go through this first cycle and produce enough robust results for giving credibility on result-based payments. If the results are not good enough, then there would be many ways to put buffers or to sell part of the credits to be sure that you are not harming the environmental integrity of the system. However, I think we are going in that direction of testing those things.

We will fail, in my view, if we on the mid-term do not engage countries into these sorts of domestic processes. We will fail because then the market will not make sense anymore. Even with robust measurements, you may be paying for that. Do not misunderstand me. What is going to happen in these first years is that we are going to pay for things that are not going to be resulting from conscious actions to go in one direction. We will pay for things that happen. In some cases forcing a little bit, but in some cases they will just happen because of history, or because of national circumstances. However, what we need is to create this environment where countries consciously would change their behavior, change their policies to go into a direction they know. We have to be patient. Rome was not built in a day.

(Q2: Forestry Agency, Ms. Inoue) I have three questions I would like to ask you. First, you showed a

very interesting graphic figure at the end of your presentation, which was also shown by Ellysar. It is showing us the transition of the source of funding from readiness capacity building and then more funds is necessary for investment and then bringing it to investment funds and results based-payment. It is a very clear picture that we got to understand. At the very end, on the right hand side, you wrote the general finance for sustainable land use. I just imagine that it may be using alternative tools for deforestation activities, business or something which may be sustainable like sustainable cocoa tree plantations will be an alternative for sustainable land use. I would like to ask you to elaborate more. What is the meaning of general finance for sustainable land use?

Secondly, you also showed us that there are various funding at the moment compatible with each other. We have the FCPF fund, we have FIP, and we are now expecting GCF to be in full operation. How do you think, after GCF full operation, the funding mechanism will be diminished, because the donor countries' funding is limited and if we have many so each fund have very small amount? It also can have a problem.

Thirdly, I would like to ask your view on the voluntary-based mechanism initiative standard like VCS. There are lots of REDD+ projects we have under the VCS approach. In REDD+ is set that sub-national and national we are going to expect. Do you think VCS types of project-based for REDD+ mechanism, can it survive? How would it still be useful and natural?

(Dr. Sanz-Sanchez) This was an example of a plan that Ghana has for ERPA and how they want to achieve these, which reflects these three steps I was talking about: readiness, investments, and result-based payments. Why this landscape, then? In many countries, when they are trying to put these pieces together, particularly when they are trying to design their policies, they figured out that putting policies only on the sector of forests does not really work out so well. They may need to go beyond that. One example is that most of the drivers are land in agriculture. You may be a very powerful minister of the environment, but forget it if you have to fight against your minister of agriculture. We basically mean that the government has to embark itself into a much more comprehensive policy thinking that engages the ministry of agriculture and engages the ministry of planning. It is not only the ministry of environment.

I do not like the concept of landscape because to me it looks like a painting in the 16th or 17th century, but it is more like land use planning. You need to plan your land. It is a very basic concept of government. The government has to plan what is going to happen in the lands of the country. We think this concept, which is more realistic is why you could put forest in a way that the policies that you will implement will really make an impact much stronger. This is why this sort of concept is there and many people like this word 'landscape' so it appears everywhere.

That is the concept. Indeed we noticed that many countries that started with narrow REDD focus are just going and making a bigger scope because they need to. One example is Zambia. In

Zambia, they saw so early that their monitoring system is designed in a way that it can expand easily to other land uses. Zambia is having similar approach now. They went through the readiness fund with UN-REDD. They are going to embark into a BioCarbon Fund sustainable landscape projects with the same sort of thinking. They are developing their plan in the middle, and they have different circumstances because they are decentralized. They are strongly decentralized.

To your second question, donors should not be there forever. There will be always some need for capacity building. Donors have always been there to provide capacity building for many topics. The investment in REDD has been scaled up substantially in these last years. Probably you will need to leave some seeds on capacity building there for improving information systems and so on, but the donor's readiness should go down. When? I cannot tell. This is because there are many countries that are moving fast, but there are many countries that did not start yet. The process should be inclusive if you want to avoid international leakage. Therefore, I cannot tell you when. The Green Climate Fund will never be able to substitute all these sort of finance that multiple donors would provide for small capacity building. I think this will continue, just not in the amounts that we see today.

On your third question, VCS is an interesting question. The point is not that the projects are bad, which is the VCS sort of mentality. When the current market was created, we knew that this was going to be something that everyone was keen on doing. Now we cannot say, "No, it is bad," because we invented but now we do not like it anymore. No, it is a tool there that we have to use. The point is how you sort of reconcile this bottom-up approach where you can engage your private sector easily, hopefully, and this top-down approach that the government has to have for land planning policies, measures, and so on understanding that the responsibility under the UNFCCC convention is by the government. They are the principal actor. Whatever is done they have to find it useful for achieving their soft or hard commitment that they may have under the UNFCCC convention.

However, at the very end, what really matters is that this government is convinced that what they are doing will provide benefits to the citizens and benefits to everyone, not only to the climate because otherwise benefit to the climate alone does not make sense. That is why when you talked today about climate change and you try to bring agriculture in climate change there is immediately confrontation with food security. The government has the responsibility to bring all these elements together and take them in a balanced manner. I think that markets can play a role there but it has to be a role. They cannot substitute for everything. I do not know if that answered your question or put you in more confusion.

(Q3: ITTO, Dr. Ma) You mentioned you are not an expert in financial aspects, but you covered most important issues, I believe. You pointed out the pledge amount by donor country and the delivery of such pledge amount is very slow. Pledging amount is more than three or four billion, or something like that, but this really not lack of the funding, so how do we facilitate the slow progress of the transfer

delivery of this pledging amount? As you mentioned, this is very difficult question

However, I recognize the UN-REDD, as compared to the World Bank, somehow the UN-REDD is a bit faster. I saw some of the percentages, and that is my understanding. According to your experience in the UN-REDD, what is the critical gap between donor country and then REDD hosting country? What would be needed from the hosting country to facilitate this delivery of the pledging amount in terms of REDD in the host country?

We are promoting very much capacity building, not result-based payment fees, so I am wondering this kind of speed would also have some implication in the result based payment. Readiness would be very important and capacity building, but it would be interesting how to facilitate such pledged amount. I would like to get some of your views on that.

(Dr. Sanz-Sanchez) First of all, everyone is getting very anxious because of these result-based payments. "There is money for result based payments! We have to run! We have to rush!" Just think about how much has been achieved on REDD that 100 years of cooperation did not achieve. I think donors have to reflect that maybe it has not been as fast as they wanted, but there has been unprecedented progress on many issues on REDD in many countries. It is hard to say, "I have 3.3 billion in my box and it is not delivering," but I will say that we are moving now towards understanding more what a progress with these few millions has been, and the progress is not deniable.

Your second question is UN-REDD delivering faster. UN-REDD concentrates on readiness. The difference between the Readiness Fund of the FCPF and the UN-REDD is very basic. The Readiness Fund of FCPF assumes that the country is already able to spend. The UN system assumes that the country is not ready to spend. It is a different approach. The UN-REDD program more accompanying countries and sometimes do things for them than the FCPF, which is a more sort of an independent approach. That is why the delivery is slower in FCPF in many cases because FCPF does not accompany the country. They assume that, once you give them the money, the country can carry out their activities. We are running after everyone trying to make sure that they are doing what they are supposed to do. I think none of these approaches is probably the best one. Something in the middle will be the most appropriate, which is that the country has to own the process, and they have to be able to work alone. However, at the same time if they are not able you have to find some ways to slightly push. Something in between the two approaches is probably the area.

I do not like to measure things by delivery, particularly if it is delivery in cash, because sometimes delivery in 100,000 in one place makes a much bigger difference than delivering 100 million in another place. I think that we have to find other ways to assess delivery. However, the biggest challenge that countries have today is that many actors are telling them slightly different things. They need to develop their thinking on how to parcel those things that those actors are saying and still develop their own path and make sure that those things plug in there. We are all guilty of that. No

one escapes from that one, and it is not in bad faith. We all do that in good faith. We think that what we are saying is the best and the country should follow our advice. Fortunately, in some regions, countries are more sort of growing than in other regions. This is very clear in Latin America. There is still a long way in Africa and in South Asia in some cases, but if we find the right balance, we give the time, and do not get too anxious then probably we will continue to move forward.

(Q4: CIFOR, Dr. Sunderlin) You mentioned a report by Norman and Nakhooda as a source for your information. Reading the report recently I came across a piece of information that I found fascinating. They estimate that it is possible that the national source of funding for REDD in many cases were, on average, perhaps twice the amount of international funding with a considerable amount of variation. This invites at least one question which is that there must be a considerable amount of difference in working with countries that have funds (in some cases lots of funds) versus those that do not. I am wondering if you could just comment on this and how this has played out in your experience.

(Dr. Sanz-Sanchez) There is a big difference. I can summarize the difference in one sentence: in the case where the country is really engaging into domestic resources the country is driving the process fully. In the cases where they depend a lot on international finance, the country many times is not driving the process. That is the difference. How many iterations you did in this cycle depends on if you are in the driving seat or you are not. It is very clear that some countries like Mexico, even Ecuador, and so on are countries that are already in the driving seat. They are already telling what they want and they are starting to really seriously invest.

The calculations may vary because it depends on how you are considering domestic investments. You could consider widely domestic investments and then for sure it is twice or more. You can consider narrow on the forest sector and then obviously it may be much less, perhaps one-third or one-fourth. This is because the forest sector as such is not a sector where governments invest a lot. However, that does not mean that what they are investing may not impact the forest sector. The difference is very clear of being in the driving seat or not.

(Mr. Miyazono) It is time to close this session but before closing I would just like to share one reality that I saw in Vietnam. According to Maria's presentation, she pointed out low disbursement or slow delivery, but probably this is not only the issue of donor side. For instance, what I saw in Vietnam is (I do not want to say which program) that money is there. The problem is the country itself. I do not want to say any bad thing about Vietnam. They are doing their best, but in reality, even if the money is there, they do not have enough human resources. They do not have enough capacity to absorb or to utilize the money. For instance, one program explained was that, so far, they have spent only 10% of the money that was allocated to the country. If the country has enough capacity, for example, in

human resources to digest or to absorb this money, probably the country can go much faster, much quicker, but the reality is not only the slow disbursement. That is the reality what I saw in one country in Asia and Vietnam.

DAY1
Session 2
