Coordination for REDD+ support at the World Bank

Voluntary Meeting of National REDD+ Focal Points
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World Bank Forest Action Plan (FY16-FY20)

- Operationalizes pillars of the 2002 Forest Strategy, taking into account new context and challenges/opportunities
- Aligns with the WBG Goals, as well as new structure

Tap the Potential of Forests and Trees to contribute to WBG goals of Ending **Extreme Poverty** and Boosting **Shared Prosperity** in a **Sustainable Manner**

- **Reduce Poverty** by sustaining livelihoods of hundreds of millions of people especially where alternatives do not exist.
- **Create Jobs and Wealth** by responding to local and global demand for timber and non-timber products.
- **Sustain Economies** by providing ecosystem services critical to the productive sectors and by mitigating and tempering impacts of climate change.
### Focus Area 1
**Sustainable Forestry**
- Protect and optimize use of forests (both natural and planted) to sustain livelihoods, create jobs and economic opportunities in rural areas while preserving ecosystem services delivered by forests.

### Focus Area 2
**“Forest-Smart” Interventions in other Sectors**
- Ensure that investments in other economic sectors (agriculture, energy, mining, transport...) consider avoiding/minimizing adverse impacts on forests and/or maximizing development outcomes through forest-based solutions.
Implementing the Forest Action Plan

**Strategic Level:** Upstream Analytics and Planning

**Operational Level:** Programmatic Approach

- Strengthen Monitoring Systems
- Strengthen Knowledge and Evidence Base
- Streamline Institutional Arrangements and Procedures

**Partnerships**
Programmatic approach:

- Break-down sectoral silos to design multi-disciplinary solutions
- Look at how different finance streams can be combined with a lower transaction cost for countries
- Identify opportunities, whenever possible, to streamline access to forest-related climate Trust Funds
World Bank Forest Climate Change Funds ($2.3 billion)

**Forest Carbon Partnership Facility**
- Readiness $369 M
- Carbon Fund $702 M
- $1,071 M
  Since 2008

**Forest Investment Program (FIP)**
- WB: $399 M
- MDBs: $775 M
  Since 2009

**Initiative for Sustainable Forest Landscapes (ISFL)**
- BioCarbon Fund $364 M (ISFL)
  Since 2013
- $90 M (T1/T2)
  Since 2004
- Enabling environments $88 M
- Results-based payments $276 M
- Tranches 1+2 (T1/T2)
  - Results-based payments $83.3 M
  - Technical Assistance $6.3 M

Since 2004
- Forest Investment Program (FIP)
- WB: $399 M
  Since 2009
- MDBs: $775 M
  Since 2009
BioCF, FCPF, FIP: Readiness, Investment, and Results-based Finance

Readiness finance (47 countries)
Investment finance (17 countries)
Results-based finance (21 countries)
Progress on FCPF REDD+ Readiness

- FCPF Readiness Fund (47 countries, $360 million)
- $57 million to 34 countries disbursed to date
- Platform for coordination and multi-stakeholder engagement
- Leveraged $186 million in 23 countries from other partners
- Supporting: REDD+ national plans/strategies, stakeholder consultations, reference levels, capacities and systems for MRV, safeguards information systems
Progress towards results-based payments

- 18 Programs in FCPF Carbon Fund pipeline ($702 M)
  - 13 Letters of Intent (LoIs) signed
  - First 2 programs to be submitted for approval in June; 4 more expected by December
- 4 programs in BioCF ISFL pipeline ($276 M)

Supporting 21 countries
Country example: Ethiopia (Oromia region)

28 million hectares (6.5m ha forest)
Country example: Ethiopia (Oromia region)

- **Jurisdictional approach**: strategic umbrella and coordination platform for multisector, multi-partner interventions

- **Multiple financing streams** for different needs and drivers of deforestation (i.e., coffee, timber, pulp and paper)

- **Public-private partnerships** to scale-up and tackle commodity-driven deforestation (in negotiations with major coffee off-taker)

- **Goal**: transform how forest landscapes are managed to deliver multiple benefits (poverty reduction, resilient livelihoods, climate change mitigation, biodiversity conservation, and water).
Country example: Ethiopia (Oromia region)

- Coordination critical to leverage resources, scale-up and gear actors in the jurisdiction towards same objective: reducing deforestation
- Oromia REDD Coordination Unit reaching out to different initiatives to collaborate: create synergies / avoid duplication of efforts
- Coordination workshop held in December 2015

1. SLMP – US$40m
2. PSNP- US$500m
3. AGP- US$100
4. NICSP- US$1.5m
5. LIFT- US$23m
6. Bale Mountains Eco-regional REDD+ Project – US$2.5m
7. ILUP Study Project - Oromia BoRLEP – US$8m
8. IWSM (mass mobilization) – US$4.6m
9. PFM REDD+ Project of Nono Sele Woreda (REDD+, PFM, OFWE, and Ethio Wetlands and Natural Resources Association)- US$1m
10. Program-for-Results ESPES – US$300m
11. Certified Forest Coffee Production and Promotion Project/ JICA- US$4m
12. National Biogas Program of Ethiopia- US$11m
13. Forest Resources Development/ OFWE – US$60m
14. BBC Media Action’s ‘Air We Breathe’ public campaign in Oromia – US$1.7
15. Pastoral Community Development Project III – US$50m
16. Yayu Coffee Forest Biosphere Reserve Project- US$0.7m
17. PFM in or adjacent to areas of the SLMP in Ethiopia/GIZ – US$0.57m
18. Business Solution to Poverty Coffee Initiative Project II – US$5m
19. Sustainable Development of Protected Area System in Ethiopia – US$12m
20. Initiative for Sustainable Landscapes (ISLA), Central Rift Valley, Ethiopia – US$2.3m
21. Conservation of Biodiversity and Ecosystems Functions and Improved Well-being of Highland and Lowland Communities within the Bale Mountains Eco-regional REDD+ Project – US$5.7m
22. Market Development for Renewable Energy and Energy-efficient Products (Credit Line) – US$2.9m
23. National REDD+ Readiness Project/ BioCF –USD1m

US$ 1.13 billion
Country example: Ethiopia (Oromia region)

Program establishment & implementation:
- Coordination of investments, institutions, incentives, and information
- Safeguards system
- M&E system
- Benefit sharing system
- MRV system
- Initial investments on ground

Program leverages more financing:
- ER Payments (US$ 50M)
- More ER payments
- More grants
- CRGE facility & Govt. budget
- Development Bank of Ethiopia
- Private sector and market development

Program start up process
- US$ 18M mobilization grant

Scale up
Country example: Mozambique

- Distinct and complementary programs contributing towards Government’s vision (Programa Estela)
  - Develop physical and social infrastructure (access to markets, water, energy, finance and knowledge) to catalyze sustainable production in rural areas.
  - Programs support local community development with triple bottom-line sustainability (social, economic and environmental).

Conservation Areas for Biodiversity & Development (Mozbio)
- $46.3 million
- 2015-2018
- Key themes: Conservation, Biodiversity, Wildlife & Tourism, Community development

Forest Investment Program (FIP)
- $24 million+10 million
- 2016-2020
- Key themes: Sustainable Forest Management, Forest Governance and Development of Forest Value Chains

Agriculture & Landscape Project
- $40 million
- 2016-2019
- Key themes: Development of Agriculture and Forests Value Chains, Land tenure regularization, Increased Productivity
Mozambique: complementarity of programs
Country example: Mozambique

**Readiness**
- FCPF Grant + Additional Finance ($3.6 + $5 million)
- REDD+ Readiness Pilots by 3rd Parties

**Implementation / Investment**
- Forest Investment Program (FIP) $24 + $10 million
- FIP – DGM $4.5 million
- MozBio $46 million
- Ag & NRM Landscape $40 million

**Results-based payments**
- Landscape - Emission Reduction Program (Zambezia) $50 million
- Green Climate Fund
- Private Investors

Degraded Landscapes, Poverty, Low Productivity

High Productivity, Livelihoods, Economic Returns
Coordination at global / national levels:

- **UN-REDD**: Coordination in overlapping countries to avoid duplication and ensure activities complement each other.
- **Forest Investment Program (FIP)**: From 23 FIP Pilot Countries, 21 are also participating in either or both FCPF and UN-REDD. Coordinates with multiple sources of REDD+ related funding.
- **Bilaterals**: aligning funding to ensure activities complement each other.
- **Green Climate Fund (GCF)**: initiating collaboration as REDD+ program shapes up.
- **PROFOR**: provide knowledge resources for REDD+ countries according to needs.
- **Knowledge management is key**
- **In-country multi-sectoral engagement advancing**:
  - Many countries using resources to set up / strengthen inter-ministerial committees to discuss land use issues and steer national and international finance towards REDD+ priorities
  - Examples of IP and CSO representation in institutional arrangements
  - Ministries of Finance starting to engage more
Challenges and opportunities:

- **Slow disbursements, but starting to pick up:**
  - Weak procurement capacity, understanding of World Bank procurement rules, lack of experience drafting TORs for REDD+ activities

- **Identifying and aligning adequate upfront investment finance to cover implementation costs:**
  - 14 countries reported leveraging $1,112 million for implementation (~$83 million per country)
  - Needs are greater and sources are limited (incl. from env. sector mostly)

- **Using existing sources to leverage for bigger needs**
  - Countries increasingly looking into financing options beyond traditional bilateral, multilateral, and public investment finance (i.e., private sector)
  - More thinking needed around innovative financing options (bonds, guarantees, etc.)

- **Private sector: important for financing, but also implementation**
  - New dialogue; establishing relationships and trust takes time
  - Requires long-term commitments, predictability and tailored design
  - Understanding comparative advantage and matching interests
Thank you

More information:
• BioCF ISFL: [www.biocarbonfund-isfl.org](http://www.biocarbonfund-isfl.org)
• FCPF: [www.forestcarbonpartnership.org](http://www.forestcarbonpartnership.org)
• FIP: [http://www.cif.climateinvestmentfunds.org](http://www.cif.climateinvestmentfunds.org)

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