



WORLD BANK GROUP
Climate Change

FCPF and BioCarbon Fund Financing in the context of World Bank's Programmatic Approach to Forests

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World Bank Group's Programmatic Approach to Forests

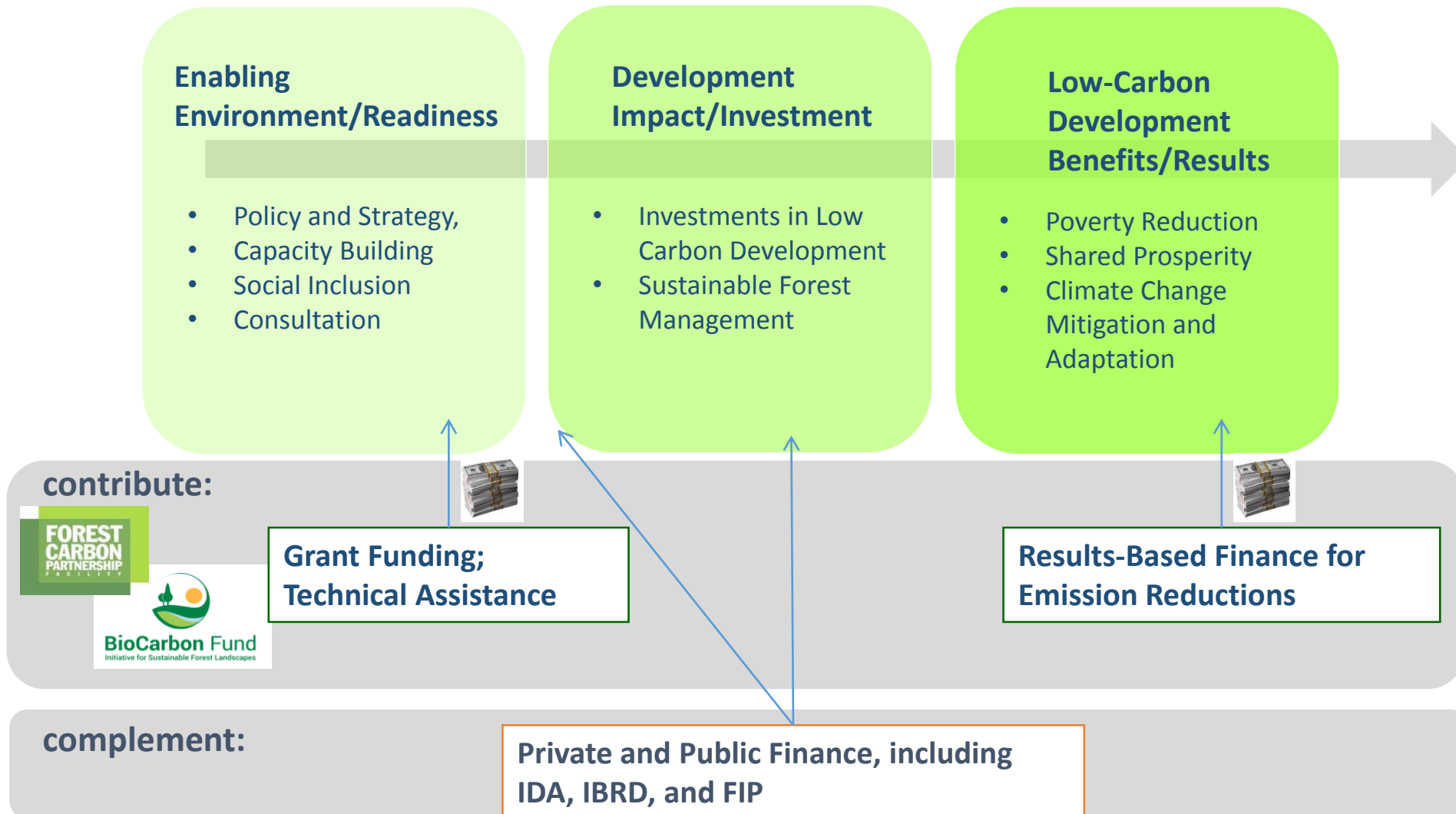
- **Integrated focus on policies, investment and results-based actions in relation to forestry and landscapes** to promote their sustainable management and to improve livelihoods.
- Commits to **mobilize finance and partnerships at scale** to achieve national and international priorities of forests.
- **Channels diverse pools of finance** (development finance, climate finance and program specific funds) from the World Bank (IDA, IBRD, IFC) and other multilateral funds (FCPF, BioCF, FIP) to support SFM and REDD+ priorities.
- Seeks to ensure **social and environmental safeguards; and voice of indigenous people and local communities** in decisions relating to forests.
- Supports **cross-sector coordination** in decisions relating to forests, agriculture, environment, energy and rural development.

Carbon Funds in the World Bank Group's Programmatic Approach to Forests

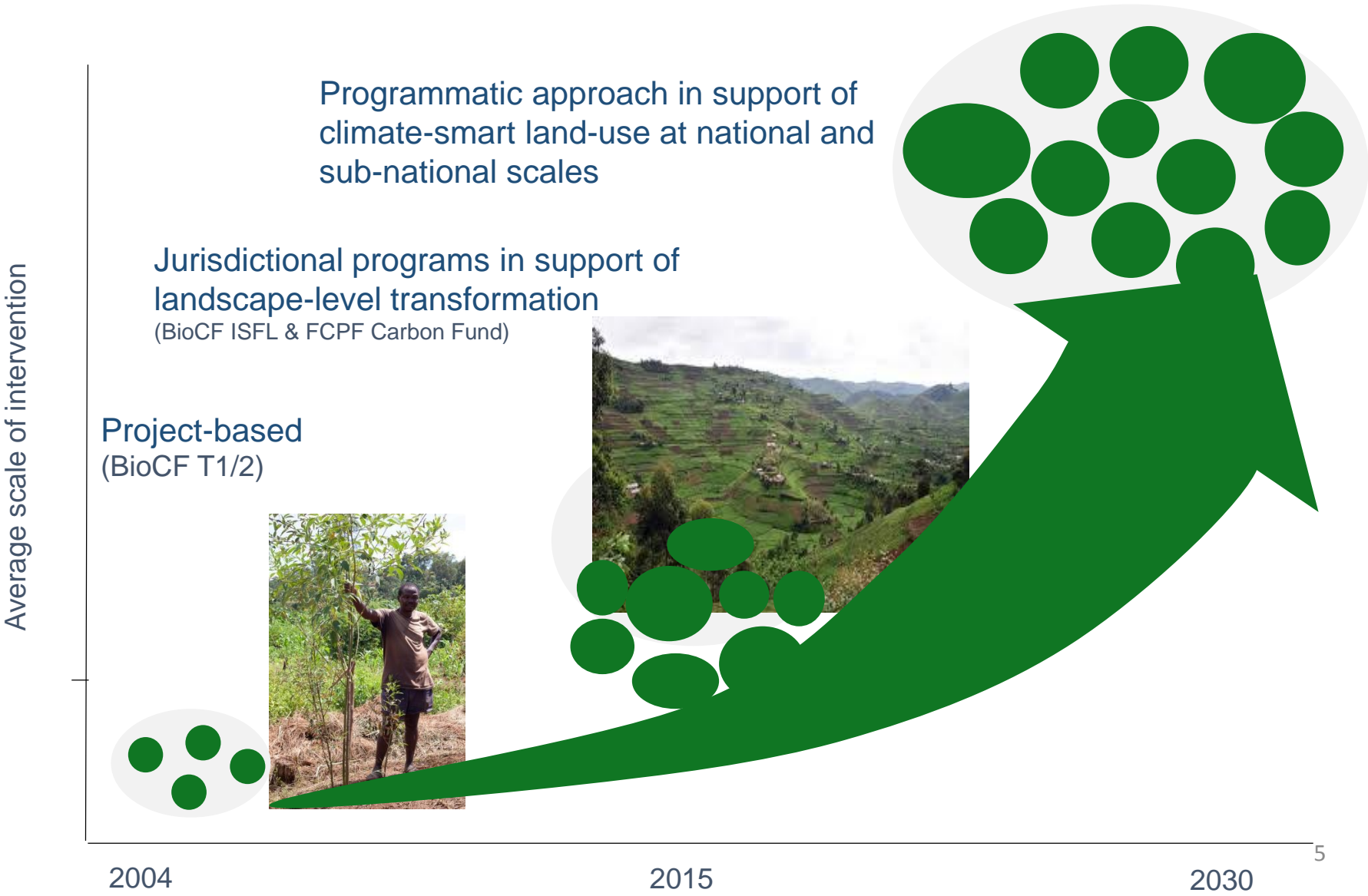
- Carbon Funds - Forest Carbon Partnership Facility (FCPF) and BioCarbon Fund Initiative for Sustainable Forest Landscapes (BioCF-ISFL) play a significant role in **piloting REDD+ interventions at sub-national and national levels.**
- Facilitate implementation of **readiness and results-based actions** to operationalize the priorities of REDD+ and sustainable management of forests and landscapes.
- **Engage with multiple stakeholders** - public agencies, indigenous peoples, local communities and private sector for implementing initiatives on the ground.
- **Promote public-private partnerships** - with commodity and consumer companies at local and global levels to promote sustainable land use and production systems.



Carbon Funds in the World Bank's Programmatic Approach



Scaling Up Finance and Engagement with Forests and Landscapes

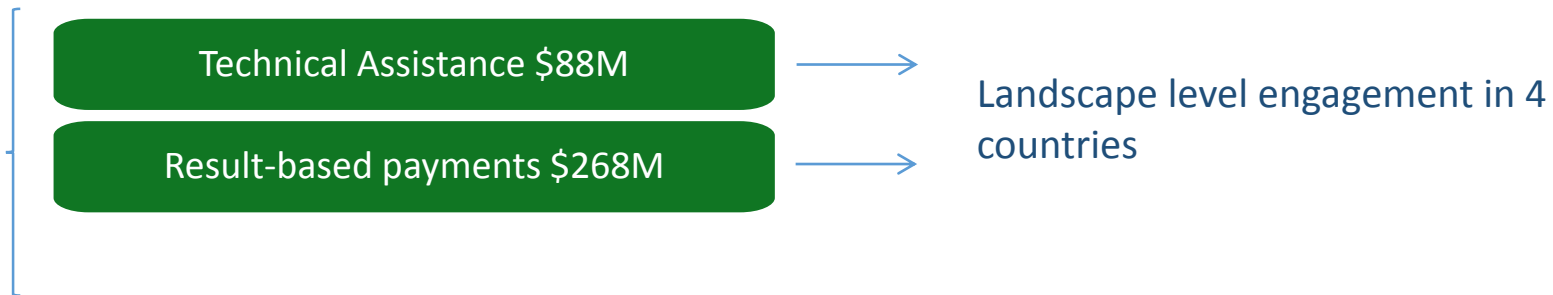


Financing from Carbon Funds

Forest Carbon Partnership Facility (since 2008) \$825M



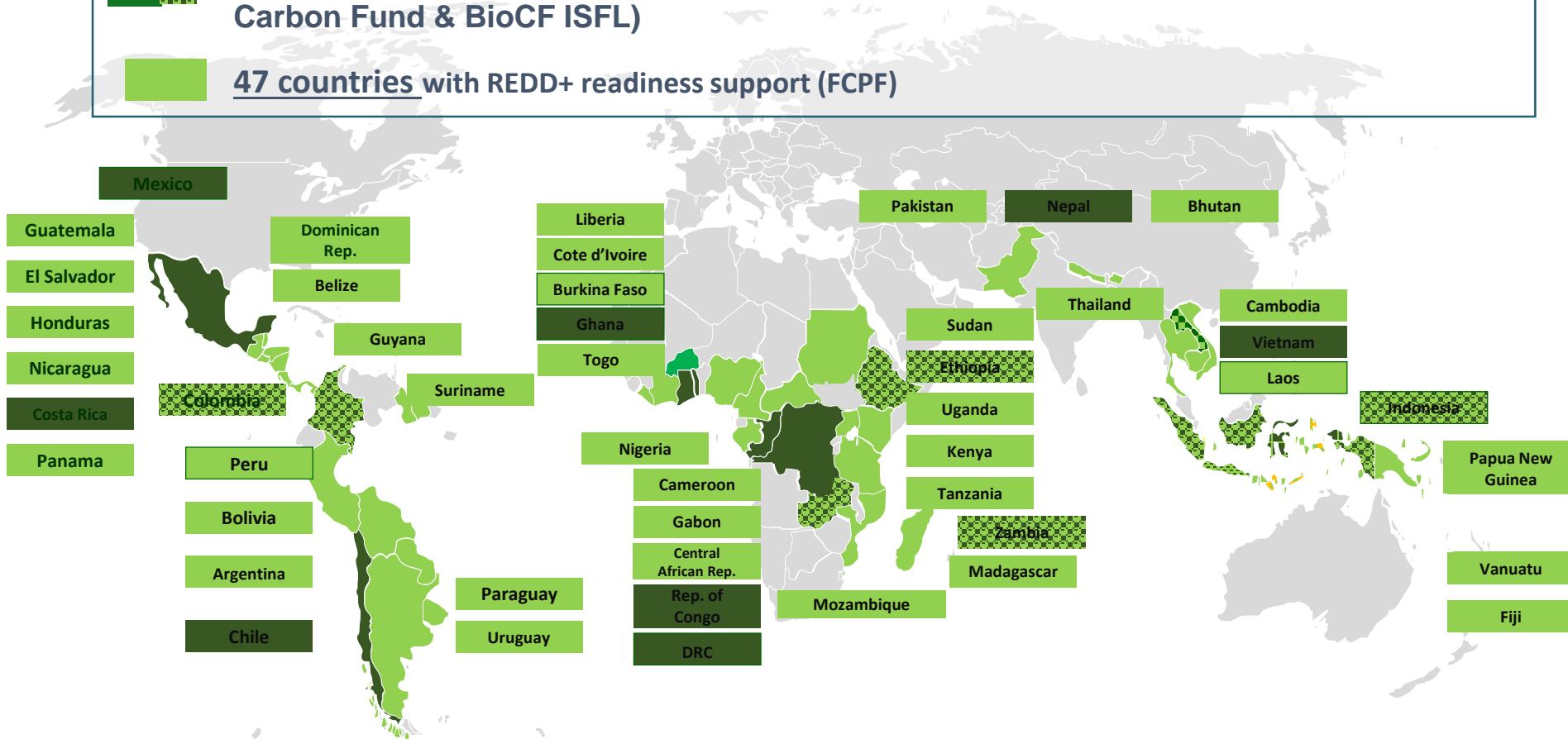
Initiative for Sustainable Forest Landscapes (ISFL)(2013) \$356M



Carbon Funds in Action

FCPF and BioCF

 **12 countries** with large scale results-based programs under development (FCPF Carbon Fund & BioCF ISFL)
 **47 countries** with REDD+ readiness support (FCPF)





**FOREST
CARBON
PARTNERSHIP
FACILITY**

Readiness Fund

Carbon Fund



BioCarbon Fund
Initiative for Sustainable Forest Landscapes



ISFL

Mexico: Community-Based Landscape Management

- Builds on the World Bank's long term engagement with Mexico on **community-based management of forests**.
- National REDD+ strategy supports **flexible and multi-source financing** for maintaining socioeconomic and environmental benefits of forests over the long term.
- **FCPF Carbon Fund** supported results-based program implemented over **29 million hectares in five states** covers about 17 million hectares of forest.
- **Incentives to communities** to reduce deforestation and forest degradation, enhancement of forests, and continuity to management of natural resources at landscape level
- **Focus on benefit sharing** with direct and indirect benefit flows to **4.5 million people**
- Financing flows from the World Bank (IBRD, FIP, FCPF Readiness, and FCPF Carbon Fund) **total US\$ 461M** to forests and climate change program interventions.
- *Sources of Financing:*
 - IBRD: US\$350 million
 - FIP: US\$42 million
 - FCPF Readiness Fund: US\$ 8.8 million
 - FCPF Carbon Fund: US\$ 60 million



Ghana: Public-Private Partnership around the Cocoa Landscape

- Ghana's forest landscape is dominated by **cocoa, a globally traded agricultural commodity** and a contributor to emissions from deforestation and forest degradation.
- National REDD+ strategy developed with the support from **FCPF Readiness Fund** and investments from FIP and IFC lay foundation for **FCPF Carbon Fund program in 6 million hectares in the high forest zone.**
- Seeks to promote **private sector and community engagement to green cocoa production.**
- Contributes to livelihood improvements for **11.6 million people** by reducing deforestation and forest degradation and improving natural forests and agroforestry.
- **Financing from multiple sources** (FIP, IFC,FCPF) support policy, governance and investments in sustainable land and forest management and empowerment of communities.

WB coordinated forest financing in Ghana:

- FIP: US\$ 60 million
- IFC US\$ 10 million
- FCPF Readiness Fund: US\$ 8.8 million
- FCPF Carbon Fund: US\$ 70 million



Early Experience with Piloting Carbon Fund Programs

- **Finance available for different phases of REDD+ is limited** highlighting the need for coordination of multiple sources of finance.
- **Cost and time for program implementation** can be high in countries and jurisdictions with low capacity and limited institutional arrangements.
- **Commitment of resources to readiness and investment phases** is key to unlock the potential of results-based programs for implementing REDD+.
- **Program design needs to demonstrate linkages among different phases** to attract finance for implementation from multiple sources.
- **Coordination of different sources of finance** is needed to promote delivery of adequate and predictable finance for programs.
- Programmatic approach with focus on **scale, scope and long-term engagement** can help to crowd in development and climate finance for forests.
- Considering the limited public finance, **new and innovative financing instruments** need to be explored for meeting the investment needs of forests.
- **Private sector engagement needs to be improved significantly** specifically in relation to investments on the ground.

SUMMARY



Carbon Funds operate at scale and support readiness and results-based actions

- over US\$1.2 Billion and have potential to increase.



Part of the WB programmatic engagement on forests

- National REDD+ strategies, readiness, investment and results-based finance form a basis for scaling up and transforming landscapes.



Focus on mitigation, adaptation and resilience

- Demonstrated experience on sector and economy wide policies and programs
- Experience in implementing policies and programs in support of climate change mitigation and adaptation



Engagement with private sector for scaling up actions on the ground

- Opportunity to engage with private sector to scale up impacts beyond public finance



Dialogue with network of external stakeholders:

- Voice of Indigenous Peoples, CSOs and private sector represented on the governance of Carbon Funds



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THANK YOU

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