Design and implementation of REDD+ programs at the jurisdictional scale through the World Bank Forest Climate Funds

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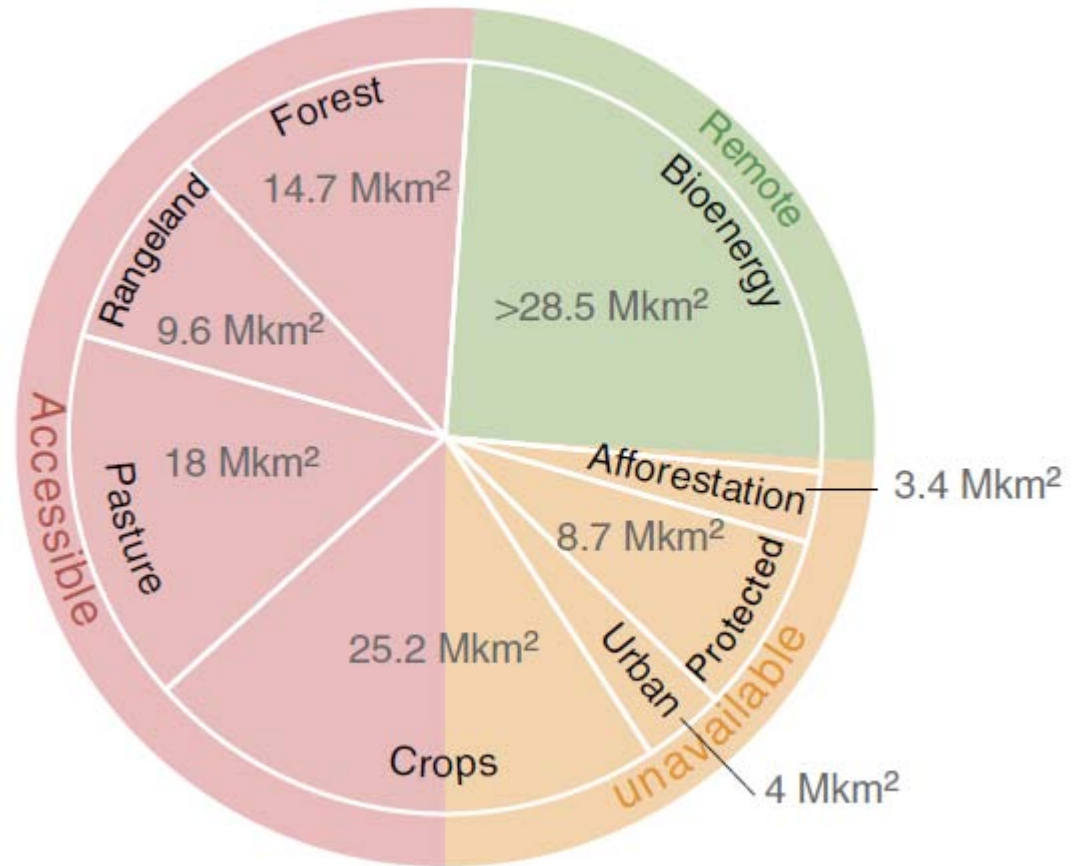FFPRI Workshop, Tokyo (via webex)

Humbo, Ethiopia

2004

Today

LAND REQUIREMENTS FROM DIFFERENT SECTORS ARE MULTIPLE, LARGE AND COMPETING
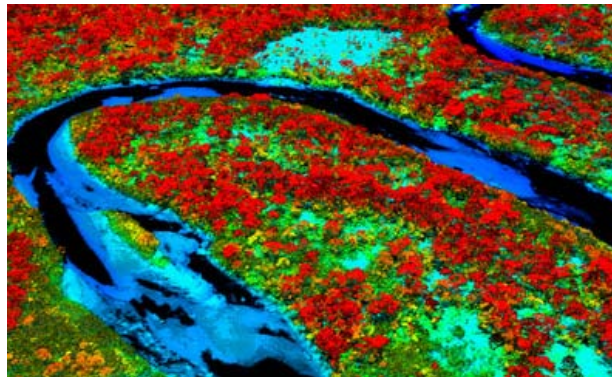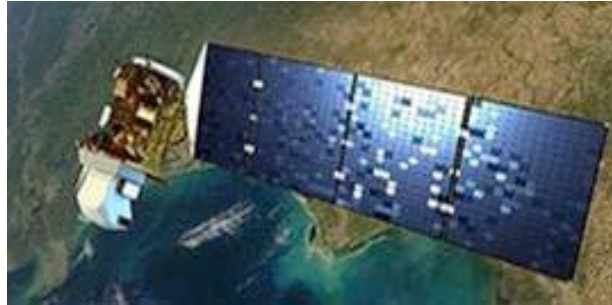
High land demand scenario for 2050

Source: Canadell & Schulze 2014

TRANSFORMING LANDSCAPES REQUIRES INNOVATIVE WAYS TO ...

ENGAGE PEOPLE

HARNESS TECHNOLOGY

LEVERAGE FINANCE

THE CHALLENGE WE ADDRESS:

TO PROMOTE RURAL DEVELOPMENT IN A CLIMATE-SMART WAY

CLIMATE CHANGE:

1/4 of global greenhouse gas emissions come from deforestation, unsustainable agricultural practices and land-use. **Agriculture is the main driver of deforestation worldwide.**

Reverse emission trends: Land can be a carbon sink if managed well.

RURAL POVERTY:

75% of the world's poor are rural and depend on healthy landscapes for their livelihoods, food security, and development opportunities.

Reverse land degradation trends: alleviate **poverty** and **share prosperity**.

Forests and Landscapes Climate Finance (CCGFL)
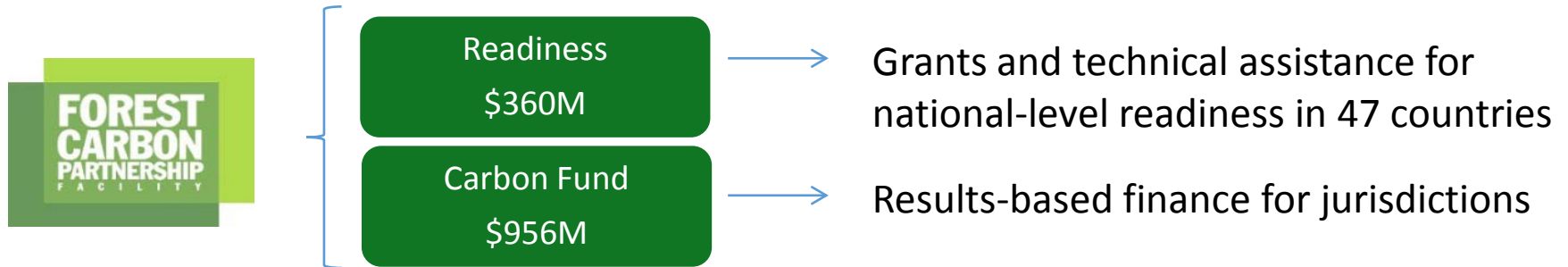## Working toward climate smart landscapes

"Transforming land, lives, and the way we do business."

- **$1.6 billion of carbon finance for forests and landscape transformation**

- **Pioneering new incentive mechanism:** Results-based finance for emission reductions at the landscape level

- **Working across Sectors:** Environment, Agriculture, Energy & Extractives

- **Global reach:** Operations in 54 countries and in 5 regions

- **Fostering public-private sector partnerships:** Collaboration with IFC (World Bank private sector arm) and commodity corporates at global and local level
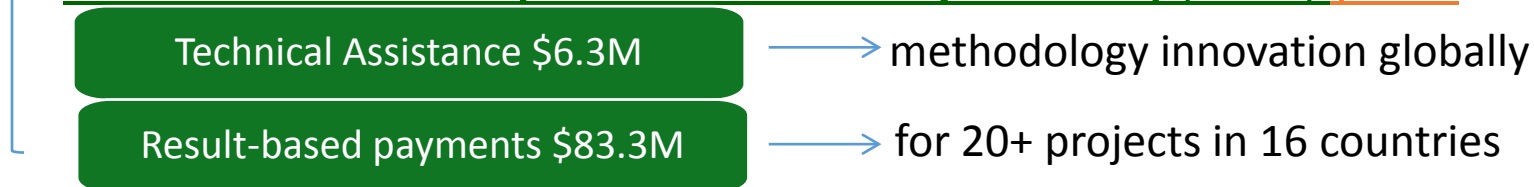
OUR FUNDS ($1.6 BILLION)

Forest Carbon Partnership Facility (since 2008) **$1.3M**

| Readiness $360M | → | Grants and technical assistance for national-level readiness in 47 countries |
| Carbon Fund $956M | → | Results-based finance for jurisdictions |

Initiative for Sustainable Forest Landscapes (ISFL)(2013) **$300M**

| Technical Assistance $75M | → | For jurisdictional programs in 4 countries |
| Result-based payments $225M | → | |

BioCF Tranche 1 & 2 (CDM and voluntary markets) (2004) **$90M**

| Technical Assistance $6.3M | → | methodology innovation globally |
| Result-based payments $83.3M | → | for 20+ projects in 16 countries |

SCALING-UP OUR PROGRAMS:

Average scale of intervention

100 million ha

In parallel, we are supporting countries to be ready to take climate-smart land-use to national scale
(FCPF Readiness Fund)

To scale-up impact, we now target landscape-level transformation
(BioCF ISFL & FCPF Carbon Fund)

10 million ha

In 2004 we began project-level pilots to change land-use
(BioCF T1/2)

Key outcomes so far
- *Learning value*
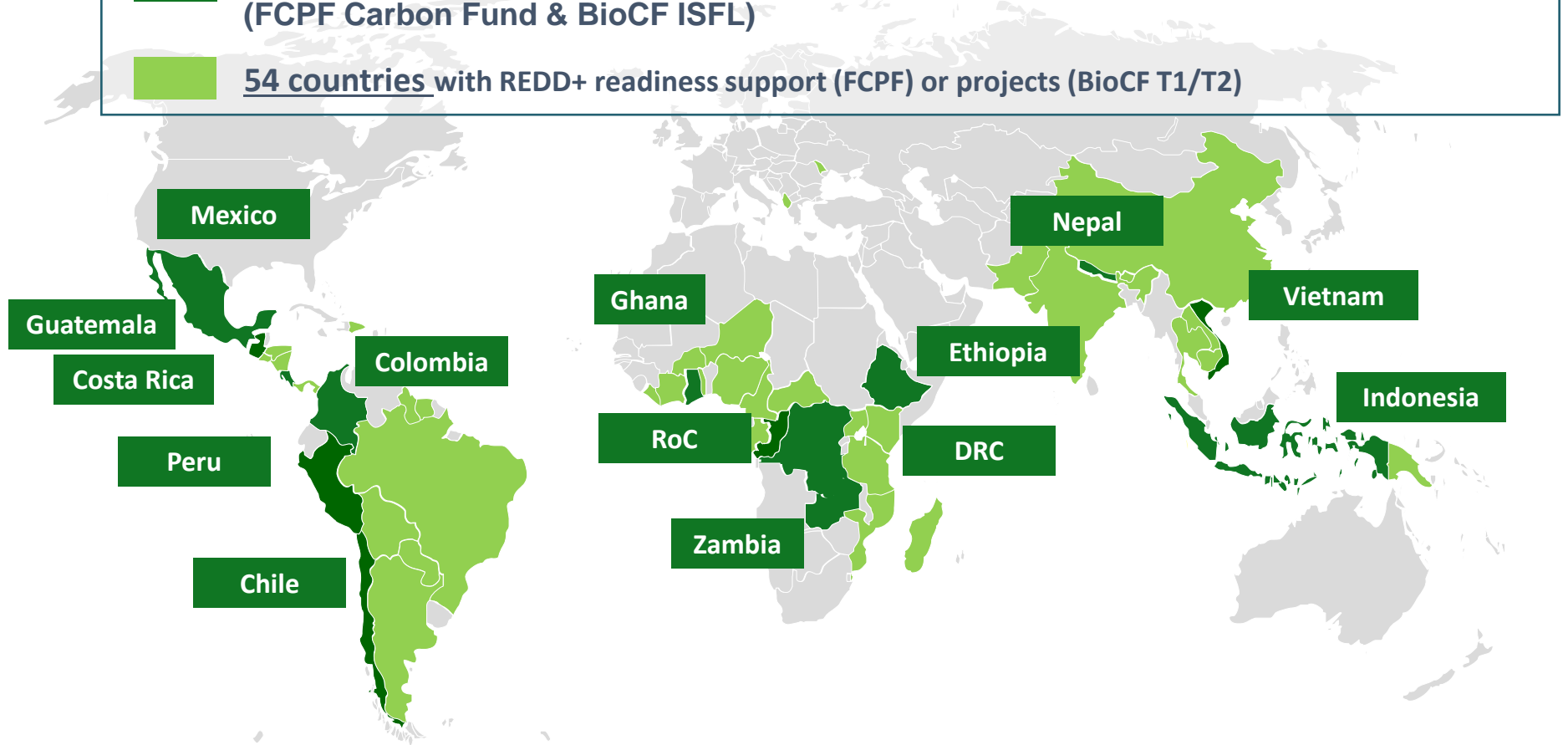- *Step in the right direction to desired impact on climate*

10,000 ha

2004   2015   2030

8

Where we work:

14 countries with large scale climate-smart land-use programs under development (FCPF Carbon Fund & BioCF ISFL)

54 countries with REDD+ readiness support (FCPF) or projects (BioCF T1/T2)

Mexico
Nepal
Guatemala
Ghana
Vietnam
Costa Rica
Ethiopia
Colombia
Indonesia
Peru
RoC
DRC
Chile
Zambia

Our work across sectors:

To achieve climate-smart land use, protect forests, restore degraded land, and improve local livelihoods, we need action across sectors. Example actions include:

Agriculture: Decouple deforestation from agriculture commodity growth

Energy: Improve the fuelwood/charcoal value chain

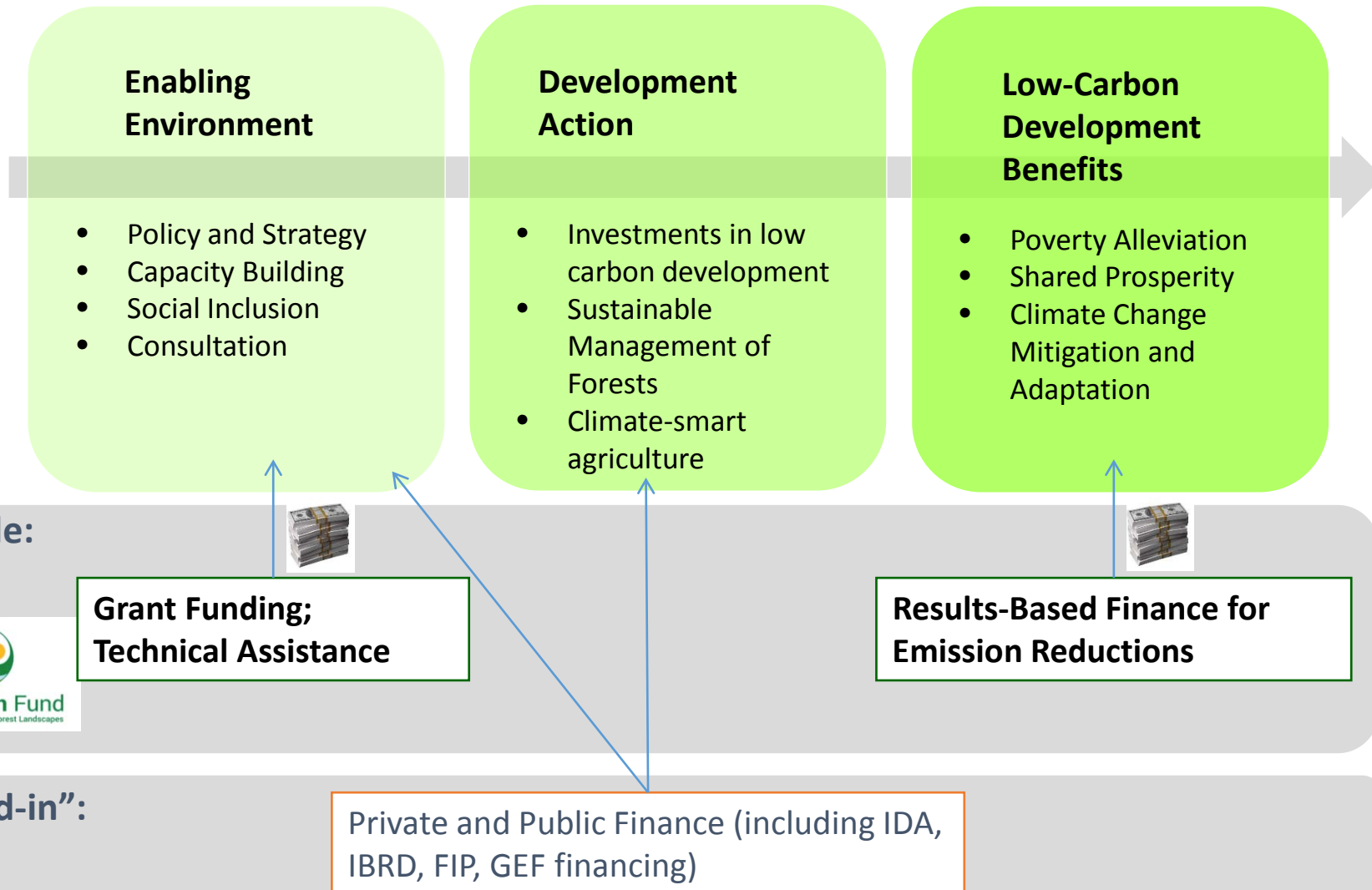**Transport**: Plan to minimize environmental impact

Land: Invest in land use planning, address land tenure issues

Mining: Set "high" environmental management standards

Forestry: Governance, Sustainable Forest Management, Community Forestry
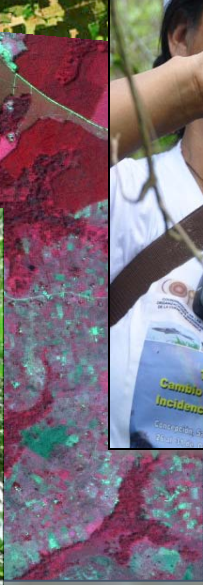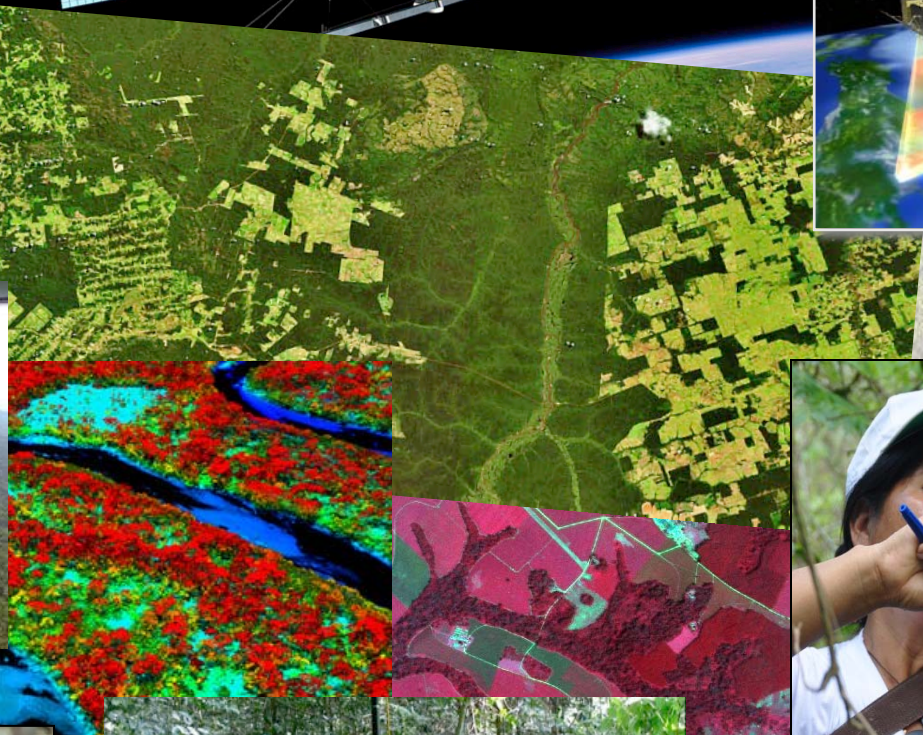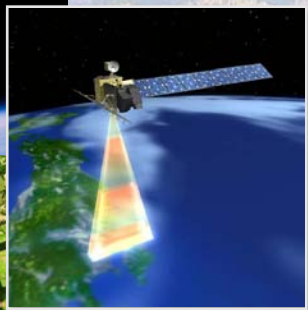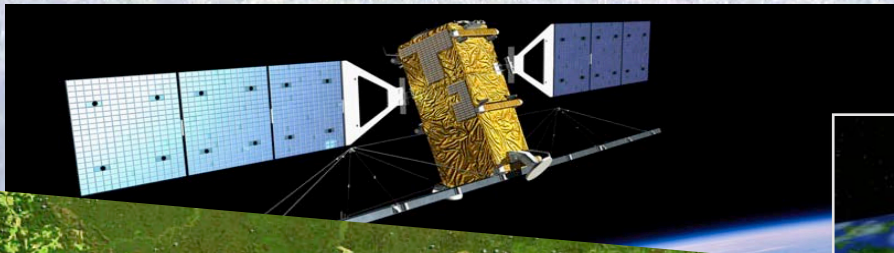
Our Business Model:

Enabling Environment	Development Action	Low-Carbon Development Benefits
• Policy and Strategy • Capacity Building • Social Inclusion • Consultation	• Investments in low carbon development • Sustainable Management of Forests • Climate-smart agriculture	• Poverty Alleviation • Shared Prosperity • Climate Change Mitigation and Adaptation

We provide:

FOREST CARBON PARTNERSHIP FACILITY

BioCarbon Fund
Initiative for Sustainable Forest Landscapes

Grant Funding; Technical Assistance

Results-Based Finance for Emission Reductions

We "crowd-in":

Private and Public Finance (including IDA, IBRD, FIP, GEF financing)
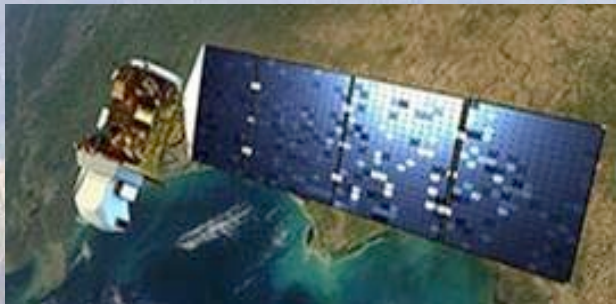
An inclusive, innovative and transparent approach to engage stakeholders

The REDD+ Decision Support Toolbox

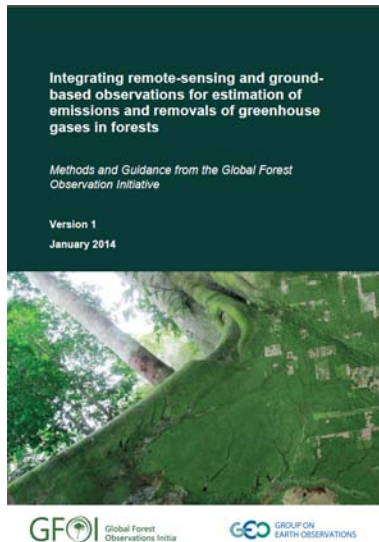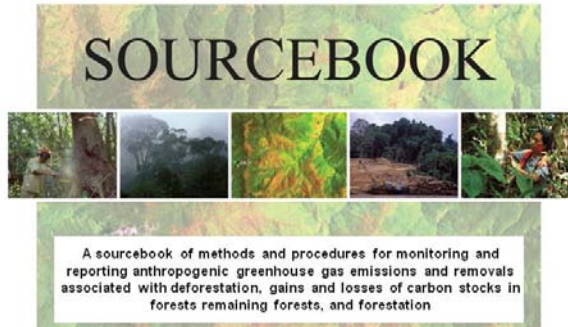Online tool with a simple interface, supported by a comprehensive database, that

- **Informs** the technical approach for reference levels (RL), forest monitoring, and measurement reporting and verification (MRV)
- **Facilitates** technical and policy decisions related to RL and MRV
- **Integrates** a range of variables required for estimation emissions

forestcarbonpartnership.org/dst

REDD+ training materials

SOURCEBOOK

A sourcebook of methods and procedures for monitoring and reporting anthropogenic greenhouse gas emissions and removals associated with deforestation, gains and losses of carbon stocks in forests remaining forests, and forestation

Integrating remote-sensing and ground-based observations for estimation of emissions and removals of greenhouse gases in forests

Methods and Guidance from the Global Forest Observation Initiative

Version 1
January 2014

- Developed by GOFC-GOLD LC PO & Wageningen University in partnership with the FCPF

- Respond to the need for technical assistance and guidance for countries to develop capacities and implement REDD+ monitoring and reporting

- Provide a set of modular training materials that can be used in combination with complementary guidance documents

- Based on GOFC-GOLD Sourcebook, building upon the GOFC-GOLD expert network, supported by independent review process

- For developing countries and capacity development efforts

STANDARDS WE HAVE DEVELOPED TO PILOT REDD+
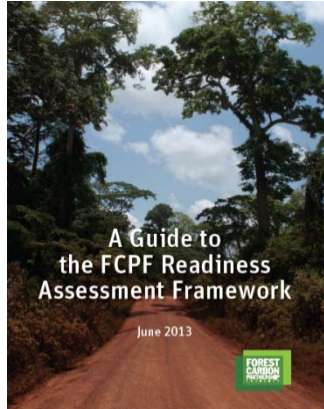
REDD+ READINESS ASSESSMENT FRAMEWORK
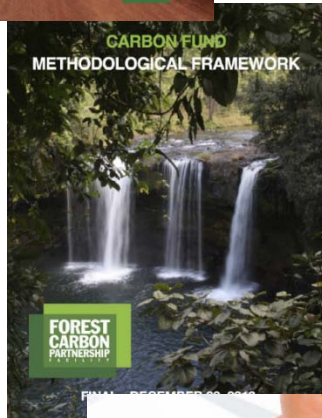
CARBON FUND METHODOLOGICAL FRAMEWORK

GENERAL CONDITIONS FOR EMISSION REDUCTION PAYMENT AGREEMENTS

Key Features of Carbon Fund REDD+ Programs

	Costa Rica	Mexico	Ghana	DRC	Nepal	Chile	Rep. of Congo	Vietnam	Guate-mala	Peru	Indo-nesia
Accounting Area [million ha, % of country]	4.1 (80%)	17.7 (9%)	5.9 (25%)	12.3 (5%)	2.3 (15%)	16.5 (22%)	12.4 (36%)	5.1 (16%)	10.9 (100%)	15.6 (12%)	12.5 (9%)
Forest Area in Accounting Area [million ha, % of Accounting Area]	n/a	17.7 (100%)	4.6 (77%)	9.8 (80%)	1.2 (52%)	8.4 (51%)	12 (97%)	2.3 (45%)	3.7 (34%)	13.1 (84%)	4.2 (34%)
Average Annual Emissions during Reference Period [million tCO_2e/yr]	-4.7[1] (10.6-15.3)	6.2	28.5	23.9	4.4	9.4	6.2	.7[1] (16-15.3)	11.5	17.6	60.7
HFLD Adjustment [million tCO_2e/yr]	n/a	n/a	n/a	6.0	n/a	n/a	5.1	n/a	n/a	3.1	n/a
Estimated Program ER 2016-2020 (5 years) [million tCO_2e]	14.7[2,4]	8.7	18.5	34.2[2]	14.0	7.5	11.7[3]	20.6[2]	21	20.7[3,4]	53.4[4]

1 Emissions minus Removals
2 ERs from reduced emissions plus enhanced removals
3 Includes adjustment for High Forest Low Deforestation (per Methodological Framework)
4 Adjusted from ER-PIN to align with 5 year program period
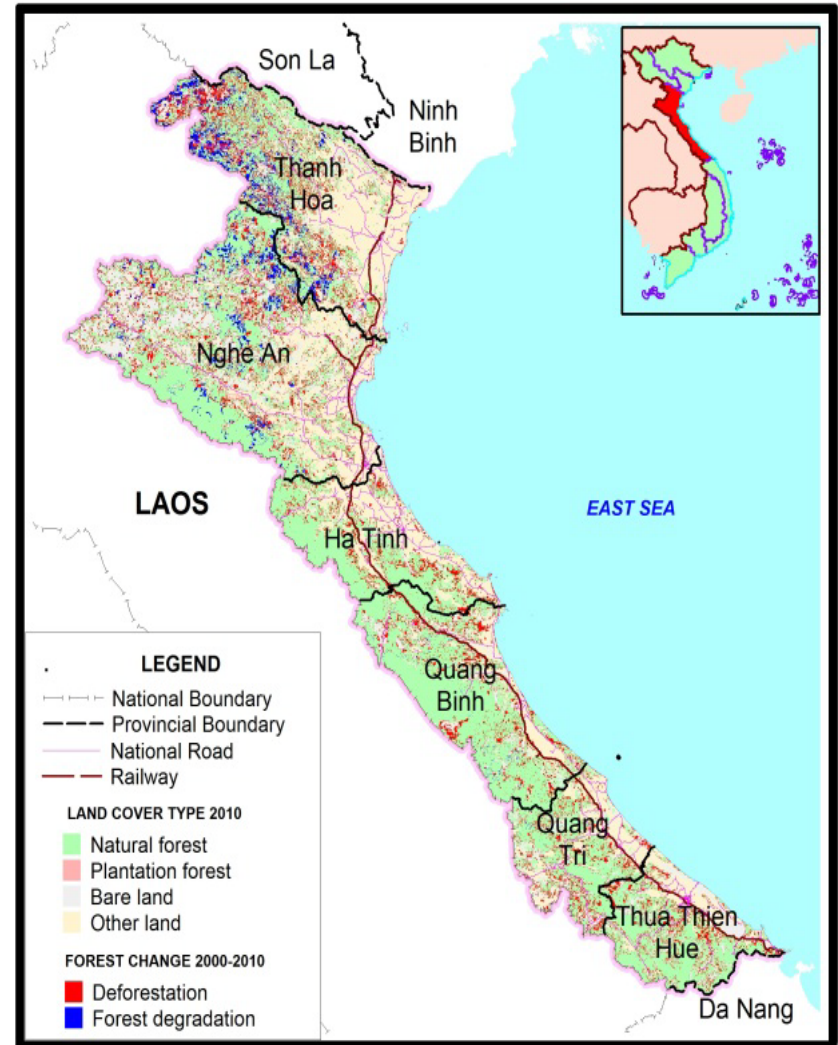
Key Features of Carbon Fund REDD+ Programs (cont.)

Countries/ Characteristics	Cote d'Ivoire	Dominican Republic	Fiji	Lao PDR	Mada-gascar	Mozam-bique	Nicaragua
Accounting Area [million ha, % of country]	4.2 [13%]	4.8 [100%]	1.6 [90%]	8.1 [35%]	4.7 [8%]	3.8 [5%]	7 [54%]
Forest Area in Accounting Area [million ha, % of Accounting Area]	1.1 [28%]	1.9 [39 %]	1 [62%]	4.2 [52%]	4.0 [85%]	2.3 [59%]	2.9 [42%]
Average Annual Emissions during Reference Period [million tCO2e/yr]	15.8	2.8 (emissions) 5.4 (removals)	0.3	6.9 (emissions) 7.2 (removals)	12.1	3.9	21.5
Estimated Program ERs* [million tCO2e]	15	15.6	3.6	7.0	16.4	5.8	13.7
Total ERs offered to Carbon Fund ** [million tCO2e]	16.5	7.5	3.6	7.0	16.4	8.7	11

* Values normalized to correspond to 5-year ERPA **As per ER-PIN, not adjusted (5+ years) # Annually; outstanding questions on CF Method. Framework
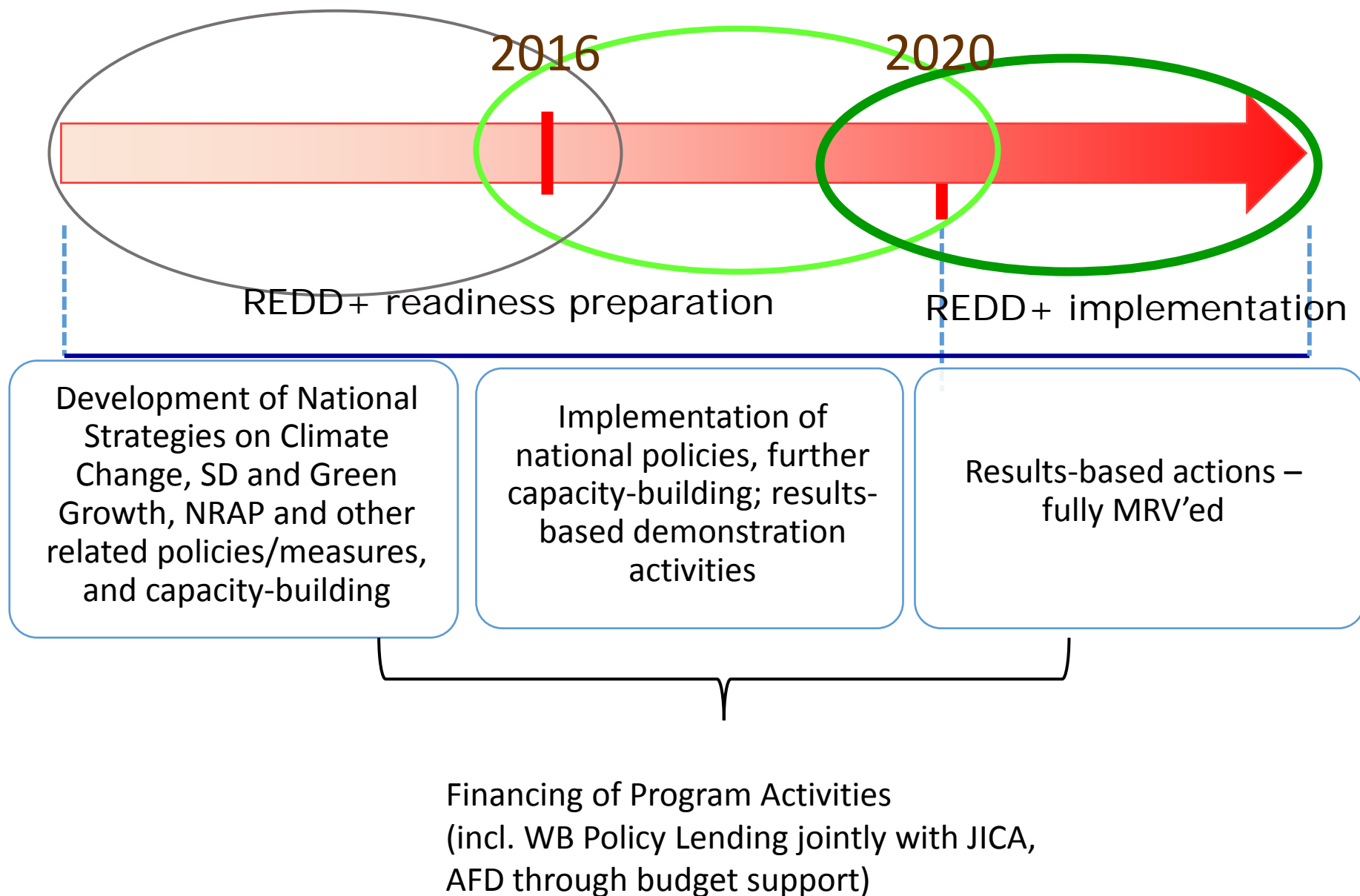
Example Vietnam: 6 Provinces

Ecological Regional Approach:

- The North Central Agro-Ecological Region (NCAR).
- 6 provinces; 5.1 M. ha total area (16% Vietnam); 2.3 M. ha of forests; 160 $MtCO_2e$ emitted during 2000-2010.
- 11 M. people in the region.
- Jurisdictional approach: Provincial REDD+ Action Plans
  - Ambitious, scalable financing, implementation and capacity building plans for each province
  - Broad support of government priorities from several development partners

Example Vietnam: Phased Implementation

2016 **2020**

REDD+ readiness preparation

REDD+ implementation

Development of National Strategies on Climate Change, SD and Green Growth, NRAP and other related policies/measures, and capacity-building

Implementation of national policies, further capacity-building; results-based demonstration activities

Results-based actions – fully MRV'ed

Financing of Program Activities
(incl. WB Policy Lending jointly with JICA, AFD through budget support)

COUNTRY EXAMPLE BIOCF ISFL: ETHIOPIA

Program profile	Oromia Forested Landscape Program (OFLP)
Jurisdiction	Oromia State, Ethiopia
Size of jurisdiction	28.5 million hectares
Population in jurisdiction	30+ million
Accounting area	All forests in Oromia
Implementing agency	Oromia Forest and Wildlife Enterprise and regional bureaus
Proposed funding envelope size	$18 million upfront grant, up to $50 million for ER payments
Date program opened	September 2014

BioCarbon Fund

Implementation of REDD+ at scale requires …

- Sound governance and stakeholder engagement

- Leveraging of finance, including from the private sector

- Investment finance, clear financial flows and innovative benefit sharing

- Sustained technical support and capacity building, especially at the jurisdictional level

- Leadership and effective inter-sector coordination

THANK YOU