



UN-REDD, FCPF, FIP: Creating Precedents & Standards

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Setting the Stage

75% of the world's poor are rural and most are involved in working the land.

In the 21st century agriculture and forestry remain fundamental for poverty reduction, economic growth and environmental sustainability.





**Setting the
Stage:
Agriculture
Strategy**



**The World Bank Agriculture and Rural Development
Action Plan calls for:**

Poverty Reduction

- 2.5 billion people depend directly on agriculture
- 800 m smallholders
- 75% of the poor are rural; will still be 50% in 2040
- Ag growth has 2-4 times the poverty reducing impact of non-ag growth

Economic Growth

- Large sector for GDP growth
- Affordable food and wage competitiveness
- Comparative advantage in trade
- Strong growth linkages

Environmental Sustainability

- 70% of fresh water resources
- 40% of land area
- 30% of greenhouse gas emissions



Three pillars of WB Forests Strategy



Poverty Reduction:
Harnessing the potential of forests
to reduce poverty



Growth:
Integrating forests in sustainable
economic development



Environmental Sustainability:
Protecting vital local and global
environmental services and values





Forests in a Land Use Continuum



500 million people directly depend on forest resources for their livelihoods

1.8 billion people (1.3 in the tropics) earn part of their subsistence from forests and trees



50 million people (in particular indigenous communities) live within forest massifs

Forest play an important role in reducing vulnerability of livelihoods

Forest can sequester carbon from the atmosphere helping to mitigate climate change

Up to 20% of the GHG come from deforestation and forest degradation in tropics/subtropics

Forests (biomass and soil) stock between 430-540 Pg of carbon. Maintaining these reservoirs is key



**Traditional
Tools,
Instruments,
and Roles**



- **IBRD and IDA Investment Loans (Public Institutions)**
- **IFC Investment Loans (Private Sector)**
- **Development Policy Loans**
- **Global Environment Facility Grants (GEF)**
- **Analytical Work, Technical Studies etc.**
- **Policy Advice**



Forests and Climate Change



Mitigating carbon is one of the many benefits generated through Sustainable Forest Management:



Energy



Timber



Coastal Zone Protection



Freshwater Resource Conservation



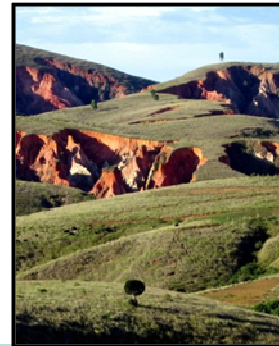
Mountain Development



Biodiversity



Watershed Management



Soil Conservation

and many more..



**New
Instruments:
Forest Carbon
Partnership
Facility
(FCPF)**

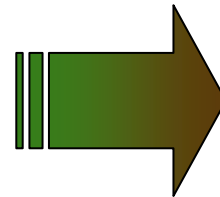


The FCPF: From Readiness to REDD Payments

**Readiness
Mechanism**

**READINESS
FUND**

***Capacity
Building
(2008-2012)***



**Carbon
Finance
Mechanism**

**CARBON
FUND**

***Payments for
Emission
Reductions
(2010-?)***



South America

- Argentina
- Bolivia
- Chile
- Colombia
- Ecuador
- **Guyana**
- Paraguay
- Peru
- Suriname

Meso America

- Costa Rica
- El Salvador
- Guatemala
- Honduras
- Mexico
- Nicaragua
- **Panama**

Southeast Asia & Pacific

- Cambodia
- **Indonesia**
- Lao PDR
- Papua New Guinea
- Thailand
- Vanuatu
- Vietnam



Africa

- Cameroon
- Central African Republic
- Dem. Republic of Congo
- Equatorial Guinea
- Ethiopia
- Gabon
- Ghana
- Kenya
- Liberia
- Madagascar
- Mozambique
- Republic of Congo
- Tanzania
- Uganda
- Zambia

South Asia

- Nepal



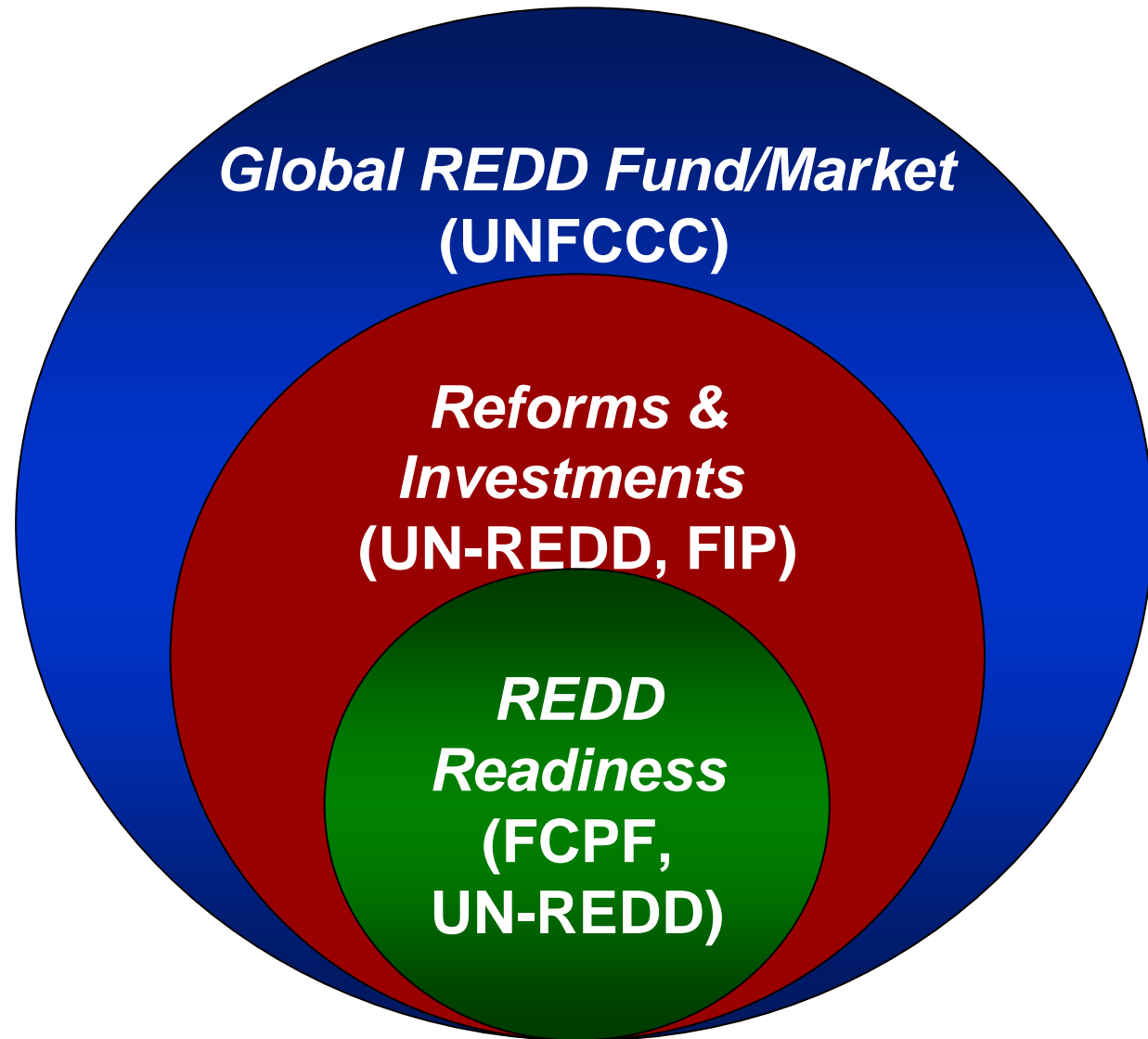
**New
Instrument:
Forest
Investment
Program
(FIP)**



- **Purpose**
 - Providing up-front bridge financing for readiness reforms and investments identified through national REDD readiness strategy building efforts
- **Specific Objectives**
 - Serve as a vehicle to facilitate financing large scale investments to implement policies and measures
 - Promote transformational change
 - Generate understanding and learning
 - Pilot replicable models to leverage additional and sustained financial resources for REDD



**The Phases of a
REDD
mechanism**





**New
Instruments:
Growing Forest
Partnerships
(GFP)**



Objective:

Facilitate creation of multi-stakeholder, bottom-up processes to anchor forest-relevant investment and capacity-building.

Role of the Program:

- Give marginalized groups a say in decision-making processes
- Increase country ownership of forest-related investment
- Coordinate countries' access to financing from all sources, anchored in informed nationally-led processes (priorities, needs)

How:

- Build on existing structure (e.g., National Forest Programmes)
- Strengthen partnerships among stakeholder and across sectors to create shared ownership of outcomes

Who:

- A joint initiative between World Bank, FAO, IUCN
- Support through IIED



**Due Diligence
and
Accountability:
Various
Standards and
Tools**



- **Representation of and consultation with key stakeholder groups**
- **Other structured consultation processes (such as those feeding into Growing Forest Partnerships)**
- **FIP and FCPF are subject to WB operational and safeguard policies**
- **Upstream analytical tools – primarily Strategic Social and Environmental Assessments (SESA), PSIA, SEA, etc.**
- **Capacity building in country – FIP, UN-REDD**
- **Inspection Panel**



**Representation
of and
Consultation
with all
Stakeholder
Groups
as Reflected in
FIP**



CRITERIA FOR FIP INVESTMENT STRATEGIES, PROGRAMS AND PROJECTS

Working Group set up for determining inclusiveness

Broad representation in working group

Outcomes:

- **Criteria for FIP Investment Strategies, Programs and Projects**
 - **Article 16d. Inclusive processes and participation of stakeholders, including indigenous peoples and local communities.**
- **Practical guidelines for FIP engagement with indigenous peoples and local communities**
- **Additional background language for Section I, paragraph 6 of the Design Document**



**Other
structured
consultation
processes:**

**The Growing
Forest
Partnerships**



- **Work plan driven by partners – not top-down targets**
- **Initiatives will be different in every country**
- **Emphasize identifying gaps to link processes, not imposing new ones**
- **Provide flexible funding to add value to existing initiatives**
- **Connect different stakeholders to existing opportunities**
- **Bring different voices into national and international forum**

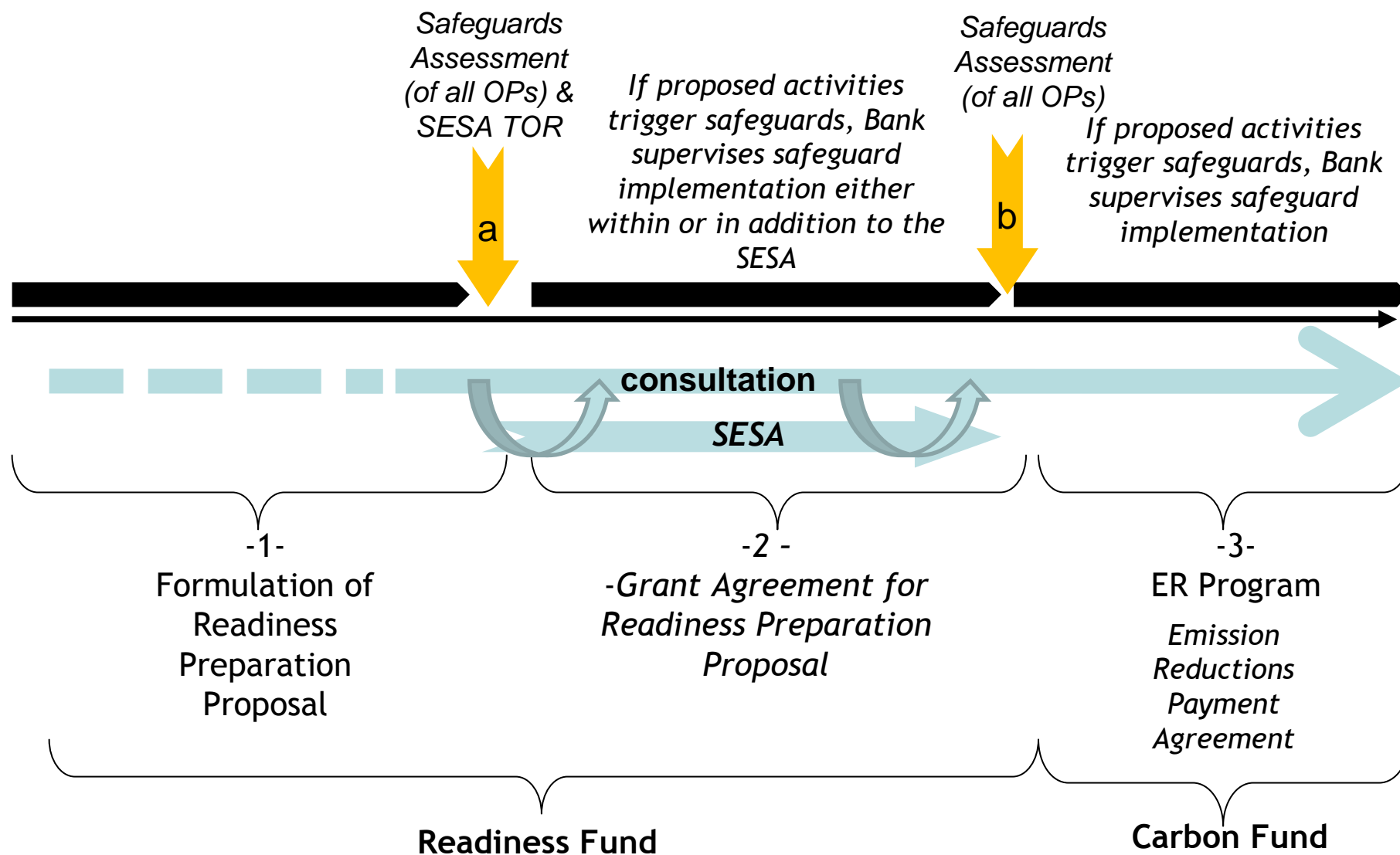


**World Bank
Operational and
Safeguard
Policies**

- **Environmental Assessment (OP 4.01)**
- **Natural Habitats (OP 4.04),**
- **Pest Management (OP 4.09),**
- **Indigenous Peoples (OP 4.10)**
- **Involuntary Resettlement (OP 4.12)**
- **Physical Cultural Resources (OP 4.11),**
- **Forests (OP 4.36),**
- **Safety of Dams (OP 4.37).**



WB SAFEGUARD APPLICATION IN THE FCPF





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In the 21st century agriculture and forestry remain fundamental for poverty reduction, economic growth and environmental sustainability.

www.forestcarbonpartnership.org

www.worldbank.org/forests

www.worldbank.org/ard

www.worldbank.org/wdr2008





**How
it all
fits**

