



## Forest Carbon Partnership Facility

# Discussion of the World Bank's Independent Evaluation Group Global Program Review of the FCPF

Fourteenth Meeting of the Participants Committee (PC14)

Washington, DC, USA

March 19-21, 2013

# Outline

- Recapitulation on what IEG said
- Discussion

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# IEG: “FCPF: Global-Country Linkages”

- Strategic

- Bank’s Board approved the Bank’s roles in FCPF in September 2007, based on the Bank’s experience in designing and implementing pilot activities that pioneer carbon markets to mitigate climate change
- Bank’s poverty reduction mission is closely linked with climate change mitigation and adaptation

- Operational

- Regional FCPF coordinators collaborate with and receive financial support from the Facility Management Team
- Bank’s TTLs supervise FCPF grants
- FCPF and FIP are working in six countries in common

# IEG: “FCPF: Global-Country Linkages”

- Institutional

- UN-REDD and UNFCCC are observers on the FCPF PC
- FCPF and UN-REDD hold their meetings back-to-back due to a high level of overlap in membership
- FAO, IDB, and UNDP are also Delivery Partners
- Bilateral donors co-finance REDD+ activities in countries that have approved REDD strategies

# IEG: “FCPF: Major IEG Findings & Lessons”

- Given the scale and cross-sectoral nature of REDD+, FCPF needs enhanced strategic alignment with World Bank corporate goals and greater integration with country operations to be effective.
- Given the uncertainty about future financial flows for REDD+, the World Bank needs to articulate how it plans to support REDD+ going forward, to meet client expectations about future financing flows.
- Until there is greater clarity about the contours of future REDD+ financing, the Bank should give priority to “no regrets” investments and activities such as legal and policy support for land tenure and forest governance reforms that dovetail with the Bank’s wider objectives in the forest sector.

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# Strategic Alignment with World Bank Corporate Goals

- Alignment is not a one-way street
  - FCPF has aligned with World Bank
  - World Bank has aligned with FCPF
- Renewed World Bank emphasis on climate change
  - “Reduced poverty, enhanced shared prosperity, and sustainability”
- President Kim’s climate action priorities
  - Price for carbon
  - Fossil fuel subsidies
  - Climate-resilient cities
  - Climate-smart agriculture / landscapes

# Greater Integration with Country Operations (1)

- Experience of the World Bank's Africa Region:
  - Mainstream REDD+ agenda in our natural resources management (NRM) portfolio and adjust to specific context
  - Build on the existing NRM portfolio (e.g., policy dialogue, operation)
  - Make all efforts to blend with other resources (i.e., IDA/IBRD, GEF, FIP) to achieve targeted results in a coordinated manner
  - Have the same “task team” working on NRM and REDD+ operations
  - Involve the Country Management at an early stage (review meeting for R-PP Assessment note) to get their support and ownership
  - Involve other sectoral colleagues to ensure a truly multi-sectoral approach of REDD+

# Greater Integration with Country Operations (2)

- Experience of the World Bank's Africa Region:
  - FCPF Readiness program is strategically fully aligned with the Bank objectives in NRM sectors
    - **Win-win:** FCPF has benefitted from the extensive knowledge on NRM sectors, and the Bank has benefitted from the broader perspective that FCPF/REDD+ has given to Forestry/NRM (multi-sectoral and participatory)
  - Operationally consistent but sometimes challenging because:
    - **Decision-making process:** Outside the regular decision-making in the Bank (however, things have much improved over the past years with Multiple Delivery Partners, consultations prior to Participants Committee meetings on key issues, i.e., inclusion of additional countries)
    - **Additional requirements:** Particularly in terms of reporting

# Greater Integration with Country Operations (3)

- Experience of the World Bank's Africa Region:
  - Institutionally complementary
    - **FCPF institutional set up:** Very efficient and brings a high level of participation and transparency. Highly appreciated coordination work done by the FCPF Management team

# How Will the World Bank Take REDD+ Forward?

- World Bank

- Will continue to support FCPF REDD Country Participants
- Is open to supporting REDD+ candidate countries, alongside other Delivery Partners, in case the FCPF is reopened
- Is already supporting the REDD Country Participants interested in accessing the Carbon Fund
- Will continue to support/implement the Forest Investment Program (FIP), BioCarbon Fund, Global Environment Facility
- Will be one of the MDBs supporting new FIP countries if substantially new resources become available for the FIP, and the FIP accepts new countries
- Is engaged in other activities relevant to REDD+:
  - Indonesia: Advisory services as it sets up its 'REDD+ trustee'
  - Ethiopia: Support to CRGE facility
  - DRC: Exploring payments linked to improvements in indicators relevant to REDD+ in governance matrix
  - Congo Basin: Dissemination of study on forest-rich development in 5 sectors

# Priority to No-Regrets Investments

- Focus on governance, land tenure, and rights is key. It has become central:
  - Discussion in many countries
  - Readiness Assessment Framework
  - Strengthening of capacity building programs for Indigenous Peoples and Southern CSOs and local communities
- This does not detract from the importance of performance-based payments
- FCPF Carbon Fund is the leading multilateral initiative focusing on providing performance-based payments for REDD+
- FCPF Carbon Fund has internalized the importance of governance, equitable benefit sharing, etc., and will reinforce what countries do under Readiness



THANK YOU!

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