

THE WORLD BANK & FOREST SECTOR INTERVENTIONS



WORLD BANK GROUP
Environment & Natural Resources

Meerim Shakirova

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The World Bank's Forest Sector Programs

•2002 to the present: Collaborative forest management for multiple objectives

In 2002, the Bank completed a forest policy and strategy. This strategy focused Bank investments in forests to enhance their contribution to three (equally important) objectives

- poverty reduction, economic growth and conservation of local and global environmental values.

The strategy embodies a programmatic approach that addresses cross-sectoral issues and takes into account the impacts of activities, policies, and practices outside the sector on forests and people who depend on forests for their livelihoods.

The Forests Strategy (2002) course for implementation

The World Bank's Forests Strategy (2002):

- Engaging in key countries (Forest Priority Countries)
- Creating partnerships (PROFOR, WWF, GFW, FLEG etc.)
- Increasing analytical work (foundation of evidence in the sector)
- Improving coordination across the WBG (innovative financing, concessional finance by blending with IDA/IBRD)



The Forests Strategy course for implementation

2007 – WB launch of FCPF – Ready for REDD+

2010 – Climate Investment Funds (FIP, DGM)

2011 – Knowledge Products (i.e. WB Forest Sector PER)

2012 - WBG's Environment Strategy 2012–2022.

2016- Forest Action Plan (FAP) 2016-2020



WB forest interventions

Upfront Investments & Capacity Building:

- Investments in low carbon development;
- Sustainable Management of Forests;
- Climate-smart agriculture

Enabling Environment:

- Policy and Strategy
- Analytical Work
- Capacity Building
- Social Inclusion
- Consultation

Investments: Private and Public Finance (including, FIP, GEF; Bilateral Aid; IDA/IBRD)

EX-Post Benefits for Low-Carbon Development

- Poverty Alleviation
- Shared Prosperity
- Climate Change Mitigation and Adaptation

Results-Based Finance for Emission Reductions

World Bank Forest project interventions

WB forest interventions seek to achieve greater strategic coherence and a simplified access to various funding sources for the sustainable management of forest landscapes.

Key features are the following:

- Country-owned program
- Appropriate mix of financial instruments
- Cohesive financial architecture
- Long-term engagement

Programmatic Approach

Programmatic approaches have been established in:

- Mexico
- Mozambique
- DRC

Countries showing potential:

- Brazil (Cerrado)
- Ivory Coast
- Colombia
- Ethiopia

Programmatic Approach Example in Mozambique:

- Landscape approach in jurisdiction
- National reforms : governance (tenure, governance, ...)
- Maximizing Finance for Development: (IDA + FIP + FCPF + GEF) & Private Sector

MAXIMIZING FINANCE FOR DEVELOPMENT

We cannot achieve the World Bank Group's goals – ending extreme poverty and boosting shared prosperity – without much more funding for efforts that help the poor. And to meet the Sustainable Development Goals by 2030, countries need to scale up financing from billions to trillions of dollars.

Private finance is the largest resource to help fill this gap.

Cost of meeting
SUSTAINABLE
DEVELOPMENT
GOALS

\$4.5
TRILLION
A YEAR

\$2.5
TRILLION
GAP

DEVELOPMENT AID
\$135
BILLION
A YEAR

REMITTANCES,
FOREIGN DIRECT
INVESTMENT,
PHILANTHROPY
\$1
TRILLION
A YEAR

Developing countries
are doing their part

Raising more resources domestically, combating
illicit flows, becoming less aid dependent

THE PRIVATE SECTOR
CAN PLAY
A MUCH
BIGGER ROLE

PRIVATE
FINANCE,
INNOVATION
& EXPERTISE
OFFER SOLUTIONS
TO REACHING
DEVELOPMENT
GOALS

Achieving the SDGs could open up
\$12 trillion of market opportunities

Developing countries
see the opportunity
and are seeking help

For private investors, embracing new and expanded markets
not only makes good business sense, it creates jobs and
opportunities for people in the world's poorest countries

The World Bank Group can
bring together the public
and private sector

Together we can fill
the financing gap for
countries and the poor



Maximizing Finance for Development

Ending extreme poverty worldwide will take an estimated \$4.5 trillion dollars per year

ODA: \$330 million per year

Remittances, philanthropy and other sources: \$1 trillion per year

This leaves a gap of about \$2.6 trillion dollars per year

Countries' resource needs surpass their own budgets and available donor funding.

Meeting the SDGs demands that we find solutions to crown in all possible sources of finance, innovation and expertise to meet this challenge.

Maximizing Finance for Development & Fiscal Policy for a Sustainable Forest Sector

Leveraging private finance to make meaningful impacts towards the SDGs and climate change mitigation.

- Encouraging private sector investment
- Reducing administrative and governance costs, therefore freeing up more domestic resources
- Satisfying conditions for concessional finance
 - Ambitious
 - Difficult
 - Transformational

