

THE WORLD BANK & FOREST SECTOR INTERVENTIONS



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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 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)





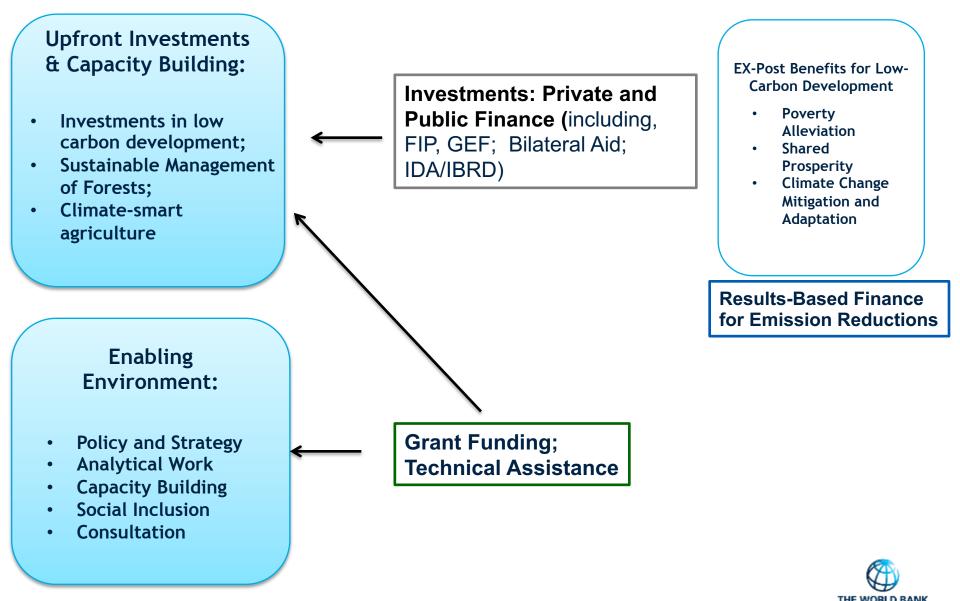
The Forests Strategy course for implementation

- 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



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:

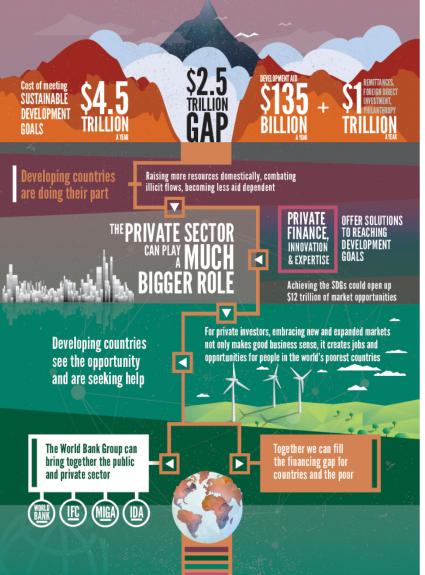
- Landscape approach in jurisdiction
- National reforms : governance (tenure, governance, ...)
- Maximizing Finance for Development: (IDA + FIP + FCPF + GEF) & Private Sector



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.



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 budges 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

