



FORESTS COMPRISE NEARLY A THIRD OF ALL LAND ON EARTH, ABOUT FOUR BILLION HECTARES. THEY ARE ESSENTIAL FOR CARBON CAPTURE AND STORAGE, AS SOURCES FOR LIVELIHOODS AND JOBS, AS HABITATS FOR ANIMALS AND FOR CONSERVING SOIL AND WATER. HOWEVER, OVER THE LAST DECADE WE HAVE LOST AROUND SEVEN MILLION HECTARES A YEAR OF NATURAL FORESTS – THAT IS EQUIVALENT TO 18 SOCCER FIELDS PER MINUTE – AND MUCH OF THIS IS DUE TO AGRICULTURAL EXPANSION, CONVERSION TO PASTURELAND, INFRASTRUCTURE DEVELOPMENT, DESTRUCTIVE LOGGING AND FIRES.

ESTABLISHED IN 2008, THE \$8.3 BILLION CLIMATE INVESTMENT FUNDS (CIF) ADDRESS THESE CHALLENGES BY DELIVERING INVESTMENTS AT SCALE TO EMPOWER CLIMATE-SMART TRANSFORMATION.

# FOREST INVESTMENT PROGRAM

The **\$758 million Forest Investment Program (FIP)**, a funding window of the CIF, provides indispensable direct investments to benefit forests, development and the climate.

FIP grants and low-interest loans, channeled through partner multilateral development banks (MDBs), are **empowering countries to address the drivers of deforestation and forest degradation** both inside and outside of the forest sector to achieve the triple win of being good for forests, good for development and good for the climate.

The FIP supports developing countries' efforts to **reduce deforestation and forest degradation (REDD+) and promotes sustainable forest management**. This helps make forests a central component of low-carbon development. It also contributes to other benefits such as biodiversity conservation, poverty reduction and protection of the rights of indigenous peoples and local communities.



**\$758  
MILLION<sup>1</sup>**

OVER  
**\$69 MILLION**

PRIVATE SECTOR FUNDING ACROSS 8 PROJECTS

ENDORSED FIP INVESTMENTS EXPECTED TO LEAD TO:



**28 MILLION  
OF HECTARES**

OF FOREST LANDSCAPE UNDER  
IMPROVED MANAGEMENT

## FIP COUNTRIES

Bangladesh\*  
Brazil  
Burkina Faso,  
Cambodia\*  
Cameroon\*  
Congo Republic\*  
Democratic Republic of Congo  
Ecuador\*

Ghana  
Guatemala\*  
Guyana\*  
Honduras\*  
Indonesia  
Ivory Coast\*  
Lao People's Democratic Republic  
Mexico

Mozambique\*  
Nepal\*  
Peru  
Rwanda\*  
Tunisia\*  
Uganda\*  
Zambia\*

\*Joined in 2015



This [grant approved for Brazil] will help conserve the natural resources of the Cerrado biome and facilitate the exchange of knowledge between indigenous peoples and other communities. The networks which have been built for this will continue to work together, and similar projects can be used elsewhere in Brazil.

**Tseredzaro Ruri O**

*Mobilização dos Povos Indígenas do Cerrado (Organization of the Indigenous Peoples of the Cerrado)*

## WHAT IS REDD+?

Reducing Emissions from Deforestation and Forest Degradation (REDD) is an effort to create a financial value for the carbon stored in forests, offering incentives for developing countries to reduce emissions from forested lands and invest in low-carbon paths to sustainable development. "REDD+" goes beyond deforestation and forest degradation, and includes the role of conservation, sustainable management of forests and enhancement of forest carbon stocks.

## CURBING AGRICULTURAL EXPANSION IN BRAZIL

The 200 million-hectare Cerrado biome is the second largest in **Brazil**. It is an economically and environmentally strategic region that plays an integral role in ensuring national food security. Due to deforestation and forest degradation only about half of the area covered by native vegetation remains.

Brazil's \$95 million FIP Investment Plan supports national efforts to curb the expansion of the agricultural frontier into native forests of the Cerrado biome. This will also reduce carbon emissions without sacrificing production levels of an industry that provides jobs and income to local communities and is a major contributor to the national gross domestic product.

In 75 priority municipalities of the Cerrado, a \$32 million FIP project administered by the World Bank supports owner and occupiers of private landholdings. This will translate to wider use of best practices such as intercropping, reduced mechanization, and fallow cropping.

## MANAGING LAND USE IN GHANA

Over the last 100 years, **Ghana**, has lost three quarters of its forest area. Forests continue to be threatened by agricultural expansion, unsustainable wood harvesting, urban sprawl and infrastructure development, as well as mining and mineral exploitation.

In the Western Region, a shift from traditional shaded to open cultivation cocoa, has resulted in loss of forest cover and decline in below-ground carbon stocks in the agricultural landscape. Through coordinated actions by four ministries, the private sector, and local communities, Ghana's \$50 million FIP Investment Plan aims at rehabilitating degraded natural forests and introducing sustainable agricultural practices, in particular cocoa production and plantation development. Over 12,000 people (50 percent women) will benefit from capacity building support, provision of seeds and equipment, and financial incentives to develop forestry, agroforestry and alternative livelihoods activities.

## EMPOWERING COMMUNITIES IN MEXICO

In **Mexico**, a collective ownership system called ejidos make up about 70 percent of Mexico's 64 million hectares of forests and provide the basis for the lives and livelihoods for tens of millions of Mexicans. Mexico's \$42 million Investment Plan, channeled through the World Bank, is contributing to improving the livelihoods of about 4,000 forest communities in Mexico through sustainable management of forest goods and services. Approximately 88 percent of funding will go directly to small scale projects proposed, prepared, and implemented by communities and ejidos.

In addition, the Inter-American Development Bank's \$18 million project supports capacity building and the implementation of exclusive lines of financing for community forestry enterprises and ejidos. This helps to meet business development challenges while also making a contribution to sustainable land use and climate change mitigation. The lines of financing are being developed by Financiera Nacional, a public sector rural development bank; Findeca, a local financial institution; and the Mexican Fund for the Conservation of Nature.

## ENGAGING LOCAL FOREST COMMUNITIES AND PRIVATE SECTOR IN LAO PDR

In Lao People's Democratic Republic (Lao PDR) forests cover about 40 percent of the country, the highest coverage in Southeast Asia. However, the total forest area has been declining dramatically in recent years which has reduced carbon stocks and negatively affected biodiversity and forest dependent people. That is why Lao PDR's \$30 million Investment Plan supports ongoing national efforts to promote sustainable forest management nationally and community participation locally.

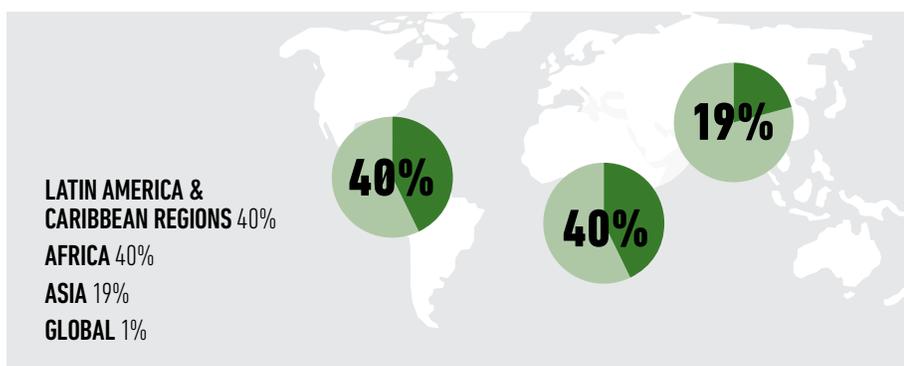
A key component is strengthening the legal and regulatory frameworks surrounding these efforts. Through FIP, the World Bank is providing advice for forest landscape management, enhanced monitoring of timber management and salvage logging as well as helping secure communal tenure for participating villages. And with help from FIP funding, the IFC is working in tandem with private sector actors to build capacity, engage effectively with local communities and increase transparency in how land is identified for commercial use. By working with a wide range of actors, FIP is helping ensure the fruits of Lao's forestry work are shared by many.

## DEDICATED GRANT MECHANISM FOR INDIGENOUS PEOPLES AND LOCAL COMMUNITIES

Unique to the FIP, the \$80 million Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM) is a one-of-a-kind program designed and led by representatives of indigenous peoples groups and local communities in FIP countries to enhance their communities' capacity to engage in and contribute to the national REDD+ dialogue and actions. Composed of country programs for each FIP country and a global component for knowledge exchange, capacity building, and networking, the DGM is the largest global REDD+ initiative created solely for and by indigenous peoples and local communities.

In Burkina Faso, the DGM program has launched its first call for proposals in June 2016. After being disseminated through newspapers, community radio and websites, 600 project proposals had been received.

### FIP ALLOCATION PER REGION



### \$80 MILLION DEDICATED GRANT MECHANISM FOR INDIGENOUS PEOPLES AND LOCAL COMMUNITIES (DGM)

- ENHANCES COMMUNITIES' CAPACITY TO ENGAGE IN AND CONTRIBUTE TO THE NATIONAL REDD+ DIALOGUE AND ACTION
- DESIGNED AND LED BY INDIGENOUS PEOPLES AND LOCAL COMMUNITIES
- LARGEST GLOBAL REDD+ INITIATIVES SOLELY FOR THESE GROUPS
- 14 COUNTRIES PARTICIPATING
- 3 COUNTRIES — BRAZIL, PERU, AND BURKINA FASO — HAVE OPENED A CALL FOR PROPOSALS AND THE PROCESS OF MAKING GRANTS TO SUB-PROJECTS IS UNDERWAY

## FOREST INVESTMENT PROGRAM

### FIP PORTFOLIO

**\$603  
MILLION**

ALLOCATED

51 projects  
\$985 million  
expected co-financing

### TARGETS

GHG REDUCTION  
**11.17 Mt CO<sub>2</sub>e**



PEOPLE  
**1.1 million**



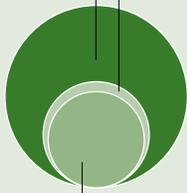
ACTUAL  
**6502 t CO<sub>2</sub>e**

ACTUAL  
**65 thousand**

### FIP ALLOCATION & APPROVALS

\$603 million  
PIPELINE ALLOCATION

\$338 million  
APPROVED BY SUB-COMMITTEE (SC)



\$325 million  
APPROVED BY MULTINATIONAL  
DEVELOPMENT BANKS (MDBs)

### THE FIP IS SUPPORTING MANY DIMENSIONS OF REDD+

#### Landscape Approaches

44%

#### Capacity Building/Institutional Strengthening and Governance Reform

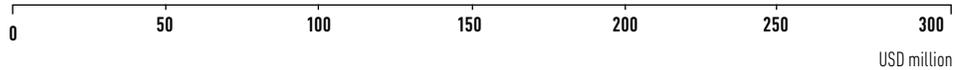
31%

#### Sustainable Forest Management

17%

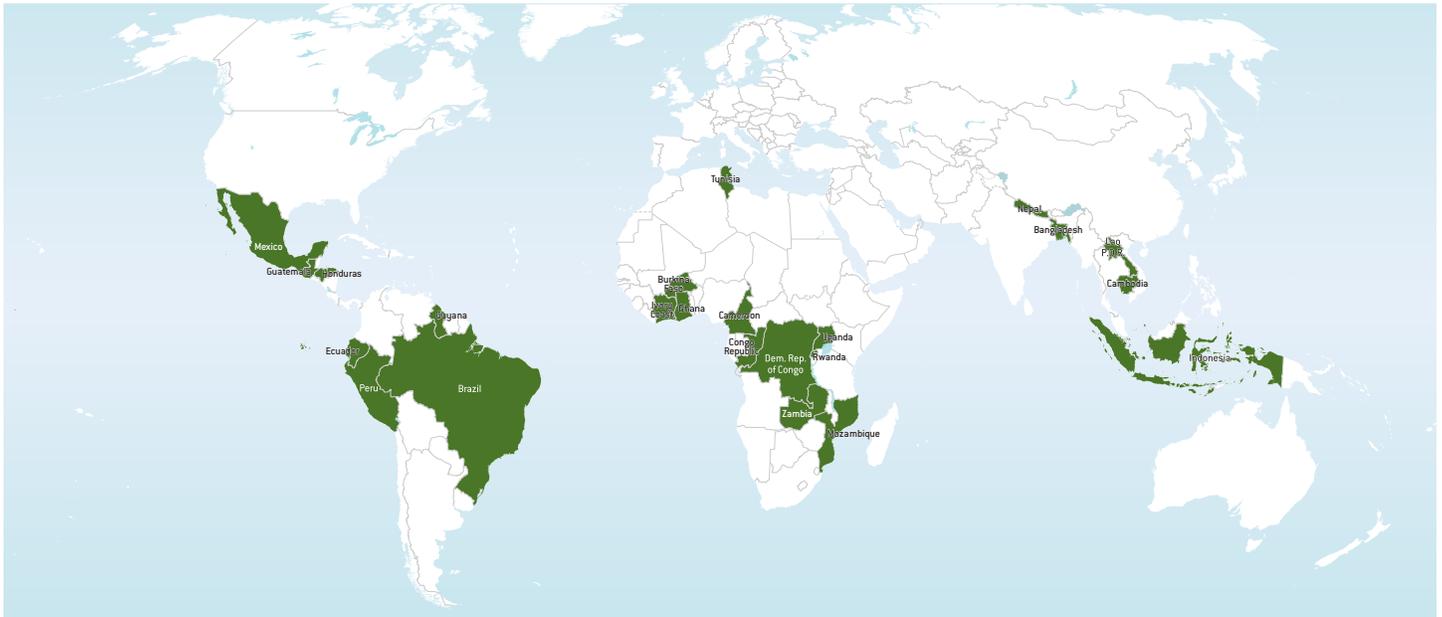
#### Forest Monitoring/MRV

8%



Approved and under implementation

## FIP COUNTRIES



[WWW.CLIMATEINVESTMENTFUNDS.ORG](http://WWW.CLIMATEINVESTMENTFUNDS.ORG)  
[CIFNEWS@WORLD BANK.ORG](mailto:CIFNEWS@WORLD BANK.ORG)



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