



**Accelerating Natural Climate Solutions
for Forested Landscapes:**

Key Lessons from FCPF and ISFL Evaluations

June 2024

Context

The Forest Carbon Partnership Facility (FCPF) and BioCarbon Fund Initiative for Sustainable Forest Landscapes (ISFL) are two of the world's largest and longest-standing financing mechanisms for REDD+ and AFOLU implementation in developing countries.¹ Managed by the World Bank, FCPF and ISFL were established in 2008 and 2013, respectively, with total contributions of over USD 1.6 billion. Collectively, these funds have assisted 49 countries to advance critical REDD+ building blocks and are now piloting Emissions Reductions Programs (ERPs) across 20 countries in a variety of settings.² They both entail innovative use of results-based climate finance as a key mechanism to advance integrated land-use approaches for forest protection, generate sustainable development co-benefits, and build capacity for broader carbon market engagement to generate additional financing toward these goals.

In 2023, both programs commissioned independent evaluations to take stock of achievements and challenges and identify lessons for use by new programs and other climate finance facilities. The evaluations are highly relevant in a context of worsening climate and nature crises and the growing urgency to scale up effective financing and landscape management solutions. This briefing note summarizes the key lessons from across these evaluations to help inform these efforts.

The evaluations highlight that FCPF and ISFL occupy an important role in the REDD+ and climate finance landscape, piloting jurisdiction-level integrated landscape management along with results-based climate and carbon financing in the forestry and broader AFOLU sectors. Both programs are expected to broadly meet or exceed target objectives – for example, FCPF has already reported more than 90 million tons of carbon dioxide equivalent (tCO₂e) emission reductions and is on track to reach 167.8 million by the end of 2025, while ISFL has found emerging evidence of plans for countries to replicate approaches of the ISFL model in all five pilot countries. They have also helped build critical foundational capacities in REDD+ and carbon market readiness, including in policies and institutions, measurement, reporting, and verification (MRV) systems, benefit sharing plans (BSPs), and other key systems. Collectively, FCPF and ISFL have supported over 23 million hectares of land to be protected and/or brought under sustainable management plans. Furthermore, activities have generated significant and critical co-benefits, including

improved livelihoods, biodiversity protection, and social inclusion. The evaluations document several areas of learning and improvement for sustaining desired results, summarized below.

Key Lessons

1. Addressing the financing and capacity gap:

Generating high-integrity carbon credits requires significant upfront resources in both readiness and investment phases. Lower-income countries also require ongoing financial and capacity support to sustain REDD+ activities, with significant overlap between readiness/investment and results-based payment (RBP) phases. This includes coordination and financing and management support to transition to results-based financing, and continued capacity strengthening in areas such as safeguards/environmental and social risk management, MRV, forest monitoring, and roll-out of BSPs. Creative solutions, such as flexible carbon pricing approaches and blending results-based payments with upfront investments and other financing mechanisms in capacity building and climate mitigation activities, can assist countries with limited financing in their transition to RBPs. Effective capacity development requires adequate time for new knowledge and skills to be integrated in government agencies, and jurisdictional programs underscore the need for capacity building at the national and subnational levels. Realistic long-term planning and support for nesting systems for voluntary carbon market and other non-public projects is crucial. Other recommended actions include enhancing government capabilities for carbon market transactions and adjusting to new regulations and market dynamics. For programs to become firmly established and self-supporting, sufficient ex-ante resources are a prerequisite for success, and in less resource-rich countries, additional ongoing financial support may be required even once ERPs are in place.

2. Replicating an integrated AFOLU approach:

Programs can help manage complexity by focusing on activities aligned with country readiness, addressing gaps and risks, ensuring continued capacity and financing support, and partnering with other programs. Given the integrative nature of AFOLU and integrated land-use approaches, developing and incentivizing cross-sectoral and cross-

1 REDD+ stands for reducing emissions from deforestation and forest degradation, conserving forest carbon stocks, promoting sustainable forest management, and enhancing carbon stocks.

2 The FCPF Readiness Fund (RF) operated between 2008 and 2022, supporting 47 REDD+ developing countries in building national readiness capacities and contributing to related policy reforms. The FCPF Carbon Fund (CF) pilots results-based payments to 15 countries that have advanced through REDD+ readiness and implementation, and have achieved verifiable emission reductions in forest and land-use sectors. The ISFL promotes the reduction of greenhouse gas emissions through jurisdictional Agriculture, Forestry, and Other Land Use (AFOLU) approaches

scale coordination and cooperation is a high priority. This requires diverse skills and connecting programs with national platforms. Involving relevant sectors from the start, particularly forestry and agriculture, and decentralizing execution approaches with high-level support, have proven effective.

3. Responding to the needs of High Forest, Low Deforestation (HFLD) countries: HFLD countries are characterized by either low or negative deforestation rates due to low population densities, low demands for forest conversion, or the presence of strong national policies to protect, conserve or restore forests. As a result, they often have limited incentives to participate in REDD+ efforts, as methodologies mainly reward countries exhibiting high rates of deforestation in the past. To address this gap, it is crucial to explore alternative financing for such countries.

4. Impactful and inclusive benefit sharing: Rewarding forest conservation efforts involving national, regional, and local-level stakeholders is complex and requires efficient systems. Payments need to be timely and targeted, blending financial rewards with non-monetary incentives to ensure lasting impact. Fair allocation of funds to both forest communities and government bodies is vital, as is balancing this with effectiveness in implementation of forest conservation programs and leveraging existing resource transfer systems where feasible. Continuous consultations and stakeholder engagements are necessary to ensure that benefit

sharing is impactful and inclusive, particularly for marginalized communities and disadvantaged groups.

5. Strengthening private sector engagement: The private sector has a crucial role in scaling up climate-smart, sustainable land use. Engaging the private sector in emission reductions depends on the right incentives, support programs, and enabling policies for various actors in critical commodity chains. Supporting countries to strengthen the legal and regulatory environment for private sector actors in key value chains and strengthening links to high-integrity forest carbon markets, standards and projects, can enhance private sector engagement. It is helpful to focus on instruments and interventions that are most appealing to private sector actors in targeted countries and jurisdictions, especially areas where adoption of sustainable business practices can improve profitability. ISFL has shown the benefits of utilizing experienced international and national companies and service providers to help develop and execute private-sector engagement strategies. With FCPF and ISFL now allowing the generation of carbon credits that could potentially be made available to private sector buyers, the funds are opening a new phase that could allow countries to mobilize private sector finance by leveraging carbon markets.

6. Enhancing non-carbon benefits: A wide range of non-carbon benefits – such as benefits to livelihoods, biodiversity, climate change adaptation, gender, social



inclusion, governance, and other areas – have been documented in FCPF and ISFL programs. These are crucial for effective and sustainable results. However, clear guidance is needed for identifying and monitoring these outcomes, along with targeted activities to influence them.

- 7. Country and non-state actor engagement:** Ensuring the active engagement of participating countries and non-state actors at global, national, and subnational levels, including in global governance and country-level implementation, is crucial for transparency and effective representation. Giving voice and a seat to self-selected observers in global governance structures has proven effective, while including government, civil society, Indigenous peoples and local communities, and private sector representatives builds broad buy-in, fosters diverse viewpoints, and facilitates sharing of lessons.
- 8. Strategic monitoring, learning, and communications:** Strategic studies, enhanced monitoring, evaluation and learning (MEL), and amplified knowledge sharing and communications activities can further improve current and future programs. Future programs should consider country-

level Theories of Change (ToC) that include clear impact pathways, particularly regarding behavioral changes in target groups including governments and beneficiaries. Additional technical or thematic analyses and activities could also be useful for accountability and learning, as well as enhancing program design. Finally, programs can amplify communications and knowledge-sharing activities to build increased global awareness and generate applied learning for similar programs, thereby building on innovative experiences and supporting replication opportunities.

The Way Forward

These lessons will be applied to ongoing work within FCPF and ISFL, as well as the design and implementation of sustainable forests and integrated land use programs in Pillar 1 of the Scaling Climate Action by Lowering Emissions (SCALE) multi-donor trust fund. They will also be used to inform other financing and implementation efforts across the broader REDD+ and climate finance communities.

Download the full ISFL evaluation report [here](#) or read the 4-page summary [here](#).

Download the full FCPF evaluation report [here](#) or read the 4-page summary [here](#).

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