



WORLD BANK GROUP



Exploring Climate Finance Approaches and Jurisdictional Case Study

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Oromia Forested Landscape Program:

Exploring Climate Finance Approaches
and Jurisdictional Case Study

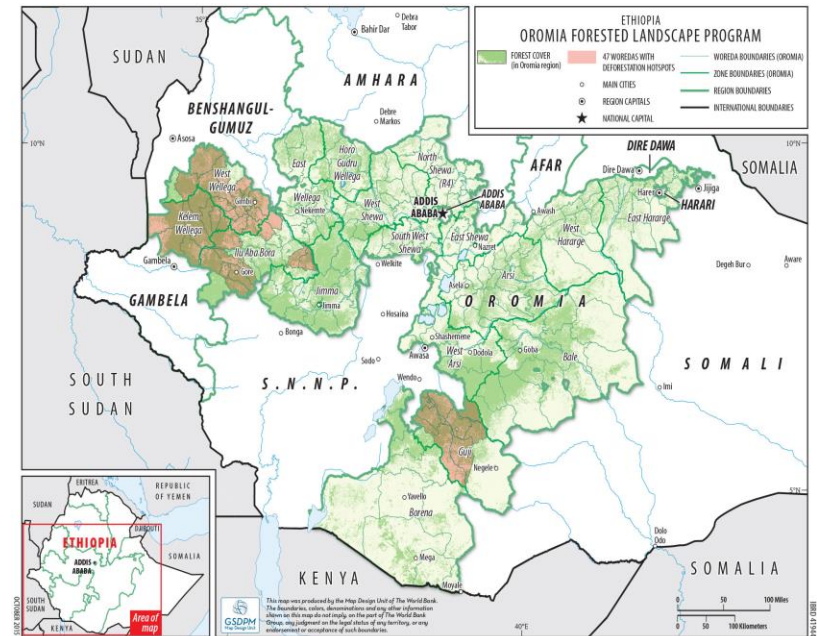
March 17th, 2021

ISFL: Project Development Objective

- **Objectives:** To improve the enabling environment for sustainable forest management and investment in Oromia

OROMIA

- One of the national REDD⁺ pilot areas where large-scale jurisdictional operation takes place
- One of the regional states that harbor the largest forest cover (~ 9 million ha)



Components of ISFL

Component 1: Enabling Investment: Grant financing: US\$11.54M

- Forest management investment in deforestation hotspots (PFM and reforestation activities)
- Investment and extension services
- Sub-basin land-use planning support

Component 2: Enabling Environment Grant financing: US\$6.46M

- Institutional capacity building
- Enabling enhancement (proclamation/regulation/legislation) @ regional/national level
- Safeguards: safeguard instruments in place; disseminated to implementing SHs
- GRM mechanism in place/strengthened

Component 3: Emission Reductions Payments

- Up to 10 million ERs over a 10-year period)
- ER ownership; currently awaiting a decision of the Council of Ministers



Outcome & Timeline

Intermediate outcomes:

- Forest area brought under management plans
- Trained forest users
- Sustainable land management adopted by land users
- Reforms/regulations in forest policy or legislation supported
- Measurement Reporting and Verification (MRV) system established at national and regional levels
- Safeguard system established and maintained

Ultimately, the **impact** will be:

- Reduction in net GHG emissions (in Oromia)
- Improvement of sustainable forest

Timeline

- It is anticipated that the ERP will be signed and final benefit sharing plan will be available in April 2021



The Jurisdictional Program in Oromia

- The jurisdictional program contains private sector engagement whereby private sector actors to enter the market adopting sustainable practices, crowding-in their own financing
- The focus of the strategy is to set up proof of concept models for sustainable agriculture supply chains (coffee stumping is an example)





Thank you!

— Increasing production of zero carbon coffee in Ethiopia

Paul Stewart, Global Coffee Director

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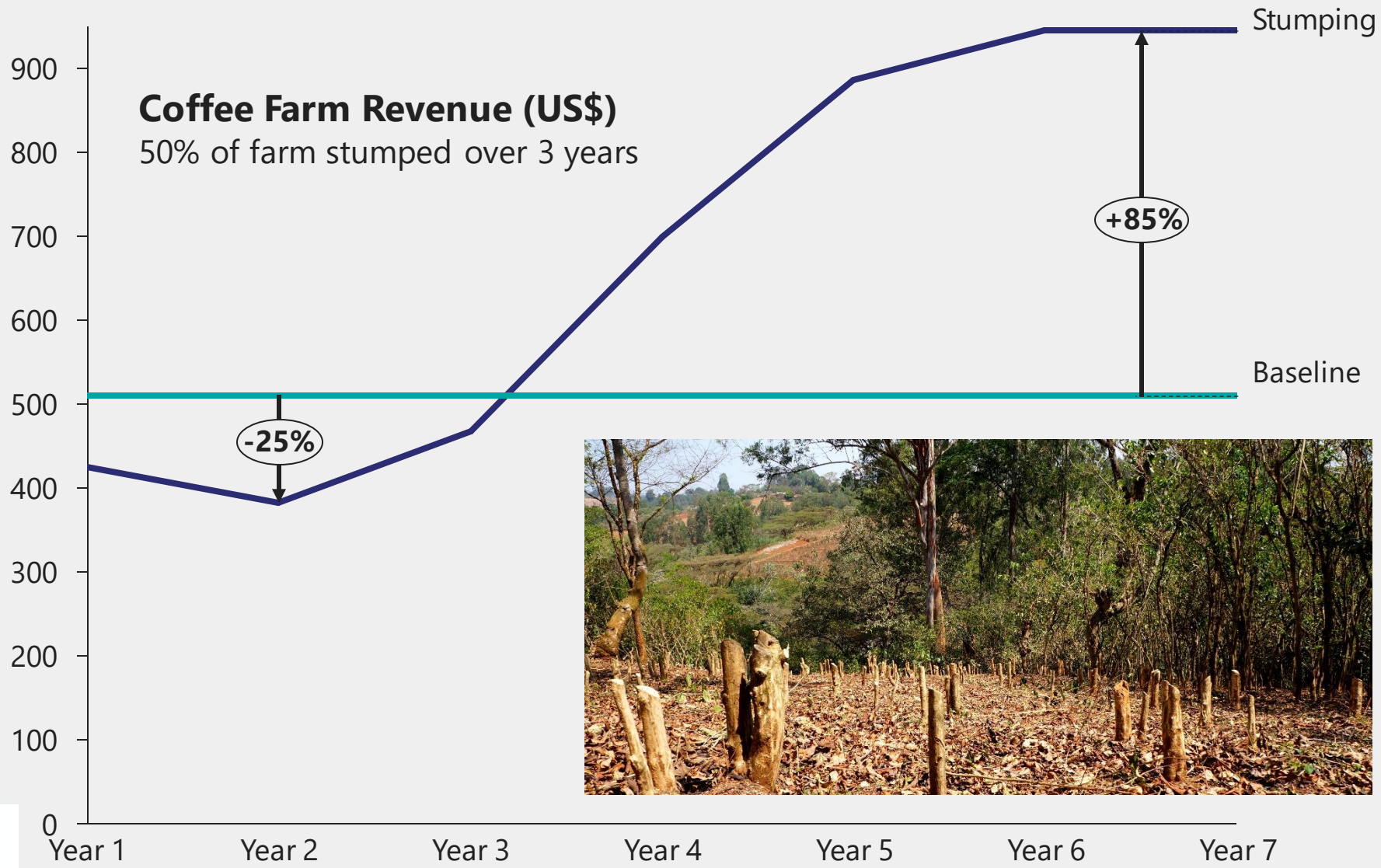
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**Rejuvenation by stumping
coffee trees results in 3X
increase in production**

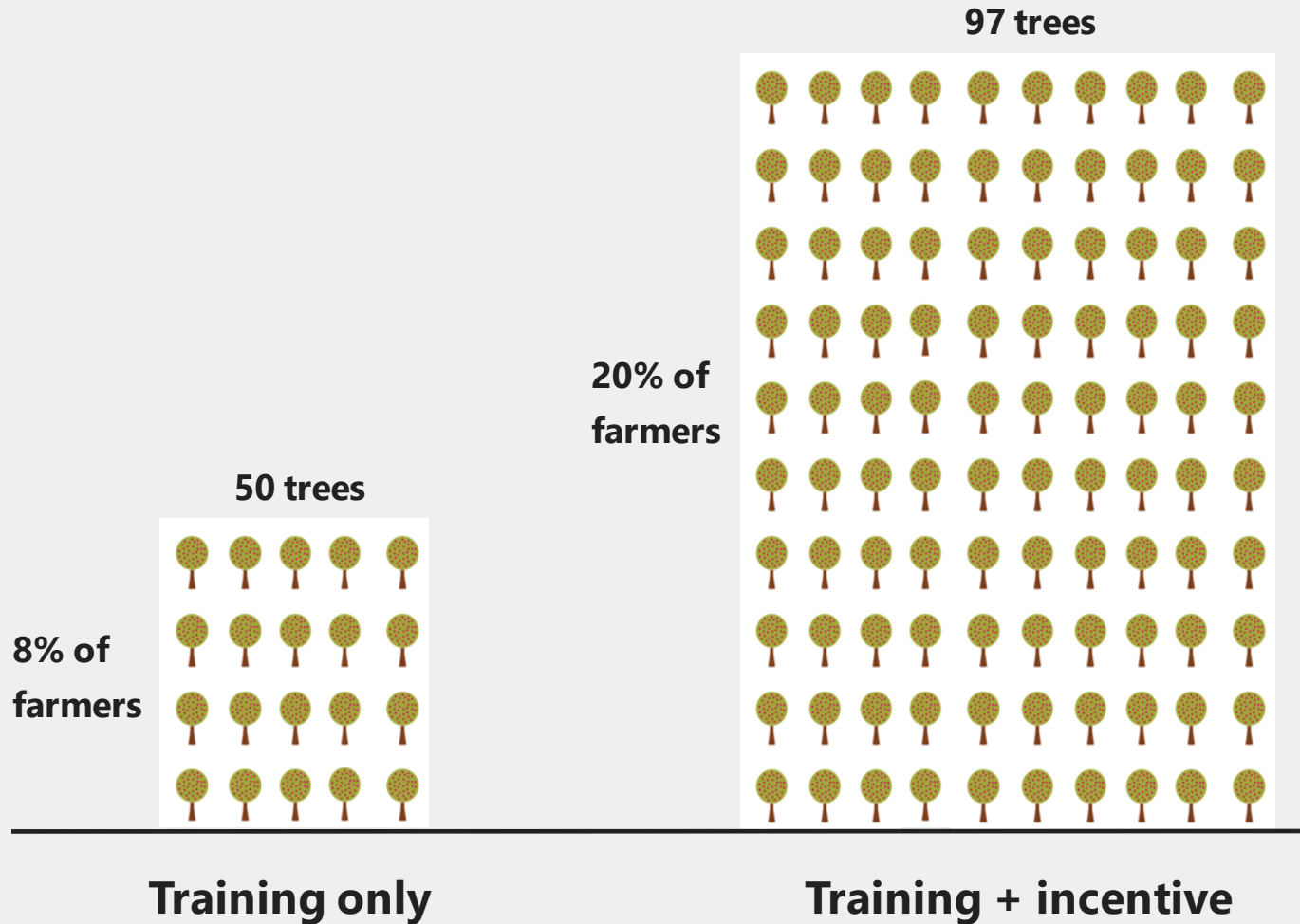


Farmers cannot afford to give up income for three years



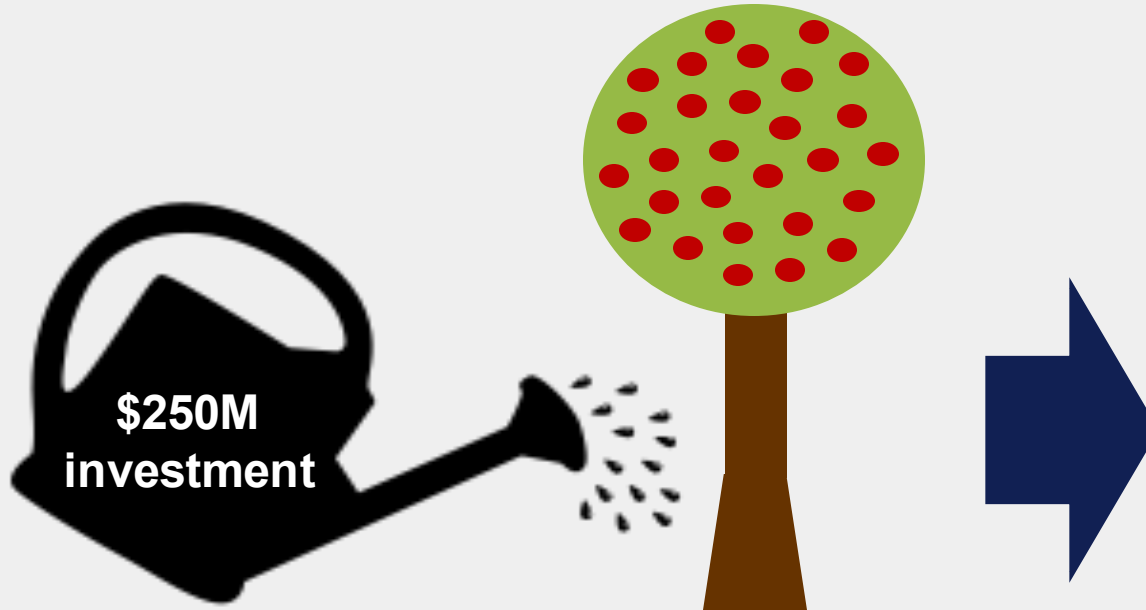


Offering farmers ~\$0.35 per tree increased number of trees stumped by five-fold





A \$250M investment will increase Ethiopia's exports of zero carbon coffee by 200,000mT/year



private sector +
development assistance
investment

Delivery of farmer
training + incentives to
1.1 million farmers

 **+\$500M** annual
incremental
income for
farmers

 **+\$700M** annual
incremental
export earnings



THANK YOU!

Paul Stewart, Global Coffee Director
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17th March 2021

technoserve.org

