

FCPF CF17 Meeting Zambezia Emission Reduction Program

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WORLD BANK GROUP



Outline

1. Summary of ER-Program preparation support
2. ER-Program strategic fit with Bank's portfolio
3. Status of due diligence
4. Proposed next steps

Zambezia Emission Reduction Program

- Key part of the flagship **Sustainable Rural Development Program** in Mozambique (Sustenta);
- First initiative **at scale to reward communities for forest conservation** – a needed transformation to address deforestation led primarily by poor smallholders
- ER payments will be an **innovative rural finance source** – sharing benefits with local **communities, governments and SMEs** that contribute to reducing deforestation;
- **Key part of NDC**, first large-scale GHG emissions mitigation initiative with ample potential of replication.
- Hosts some of the largest and most well preserved tracts of **miombo forests** in East Africa. The only dry forest program in the portfolio



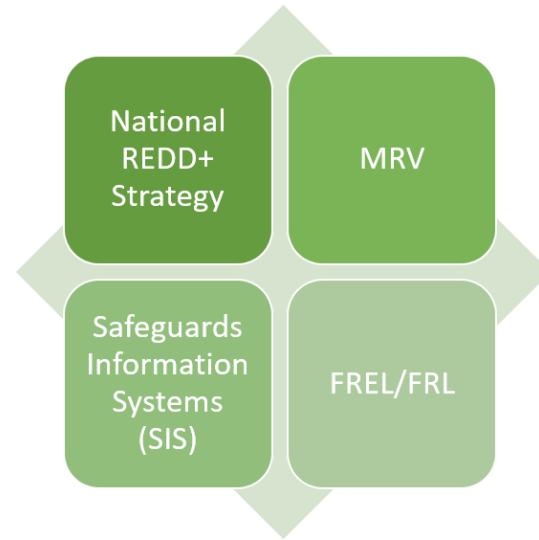
Enabling environment to REDD+ - Key role of FCPF

- **Forest Sector Reform:**
 - two-year moratorium on new forest concessions
 - ban on the exploitation of *Swartzia madagascariensis*
 - Performance review of all private concession holders
- **4th National Forest Inventory**
 - Status of forest resources
 - Transparency in key decisions, data to be made publically available
- **“Operação Tronco”**
 - Flagship law enforcement action, seized illegal timber
 - Seized wood reverted into school desks
- **National Law Enforcement Agency** established
- Ongoing preparation of a new **Forest Law and Policy**
- Support to the development of **community-private sector joint ventures in Program area**
- Support the establishment of the **Zambezia Multi-stakeholders Forum**
- Review of the **National REDD+ decree**
- **5th National Conference on Community-Based Natural Resources Management**



Gov decision to pilot a REDD+ program in Zambezia since 2014

	Level of achievement	Date of approval
Analysis of the drivers of deforestation and the strategic options to address those drivers	Completed	2015
Analysis of the legal and institutional framework for REDD+ in Mozambique	Completed	2015
Background study for the preparation of the Zambézia Integrated Landscapes Management Program	Completed	2015
ER-PIN accepted	Completed	October 2015
Establishment of the national forest definition	Completed	November 2016
National REDD+ Strategy	Completed	November 2016
Environmental and Social Management Framework (ESMF) for REDD+ initiatives, MozFIP and MozDGM	Completed	January 2017
Process Framework (PF) for MozBio, updated to cover National REDD+ initiatives, MozFIP and MozDGM	Completed	January 2017
R-Package endorsement	Completed	March 2017
Forest Reference Level and Forest Reference Emissions Level	Completed	December 2017
Strategic Environmental and Social Assessment - SESA (safeguard instrument)	Completed	November 2017
National Forest Inventory	Completed	December 2017
ER program - forest monitoring system	In progress	Julho 2018
National Forest Monitoring system – national MRV system	In Progress	December 2018



FCPF leveraged significant resources

Carbon payments are critical to scale up ongoing program

Zambezia Program design launched

Around US\$50 million leverage to Zambezia Program from several sources (IDA, GEF, MDTF)

2012-2017:
FCPF donated **\$3.6 million** to the REDD+ Readiness Grant

2015-2019:
IDA/GEF donated **\$46.3 million** to Mozambique Conservation Areas for Biodiversity and Development (MozBio)

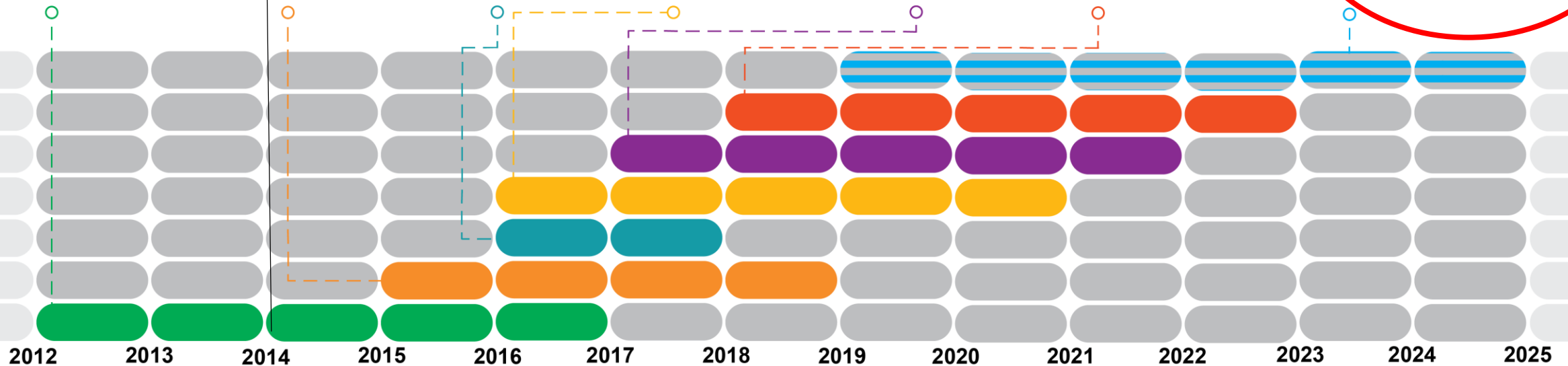
2016-2018:
FCPF donated an additional **\$5 million** to REDD+ Readiness

2015-2021:
IDA donated **\$40 million** to the Integrated Agriculture and Landscape Project

2017-2022:
FCPF donated **\$47 million** into the Forest Investment Program (MozFIP)

2018-2023:
FCPF donated **\$4.5 million** from the Dedicated Grant Mechanism for Indigenous and Local Communities

2018/19-2025:
The FCPF will provide **\$50 million** in Emission Reduction Payments based on performance of the Zambezia Pilot.



ER Program implementation in full swing

<i>In hectares (ha)</i>	MozFIP	MozBio	Sustenta	TOTAL
Land area under sustainable landscape management - outside of conservation areas (ha)	30,250		5,800	36,050
Conservation areas under improved management in the landscapes – GNR (ha)		436,383 ¹		436,383
Restoration of natural habitats through Assisted Natural Regeneration (ANR) and enrichment planting (ha)	500	200	800	1,500
Conservation agriculture, incl. Agro forestry (ha)	750	500	5000	7,050
Area of planted forests established (ha)	3,000			3,000
Area under forest management for sustainable charcoal production (ha)	1,000			1,000
Area of forest concessions under sustainable forest management (ha)	25,000			25,000
Land area supported by community land-use plans (ha)	120,000		202,500	322,500

Almost 1 million hectares implementing SLM practices



Status of the World Bank Due Diligence

- **An internal process to inform the design of the Program**
 - Project Concept Note review (PCN, August 2017);
 - Quality Enhancement Review (QER, January 2018);
 - Several technical missions, and day to day support to the Program team (central and provincial levels).
- **Program supported by Bank Management in DC and Maputo**
- **Very positive feedback at PCN and QER received on the following:**
 - Effectiveness and functionality of benefit sharing mechanism;
 - Safeguards application and monitoring;
 - Measuring degradation;
 - Funds flow to local level;
 - Concern about the program area



Coordination with Development Partners and Private Sector



Next Steps

- Continue implementation of the program
- WB Decision Meeting (DM, final WB decision point) – **May 2018**
- Advance draft Benefit Sharing Plan – **May 2018**
- Operationalize the National Forest Monitoring System – **July 2018**
- Launch of the SIS – **May 2018**
- Launch of ERPA negotiation – **August 2018**



A large, leafy tree with a thick trunk stands in a field of tall, golden-brown grass. The sky is overcast with grey clouds. A semi-transparent green banner is overlaid across the middle of the image, containing the text "Thank you!".

Thank you!