

Forest Carbon Partnership Facility

Ethiopia: REDD+ READINESS PROCESS

Stephen Danyo (Task Team Leader 2014-2017) / Karin Kaechele (FCPF Focal point)

FCPF PC24 –Luang Parabang, Laos, September 25-29, 2017



Outline

- 1. The forest situation in Ethiopia**
- 2. National policies related to forests and global commitments**
- 3. WB support to forests, landscapes, and climate change in Ethiopia**
- 4. REDD+ readiness activities**
- 5. The Oromia Forest Landscape Program (OFLP)**
- 6. Next steps**

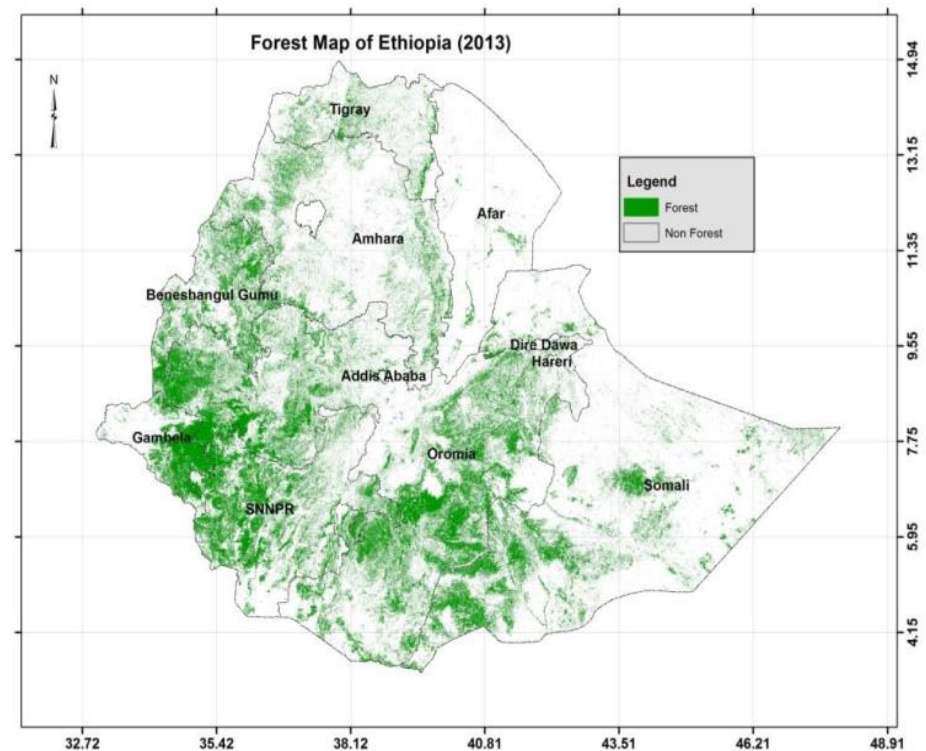
Forest Situation in Ethiopia (1/2)

- **Forest cover is about 17m ha** or 15.5% of total land area. 16m ha natural forest, of which 19% is high forest. 1m ha plantation.

- **Net forest loss from 2000-2013 was 947,000 ha:** total forest loss was 1,193,000 ha, and forest gains were 246,000 ha (*source: GoE FREL last submitted to UNFCCC*)

- 92,000 ha annual loss
+ 19,000 ha annual gain

- **BAU** = additional 9m ha loss (2010-30).



Forest Situation in Ethiopia (2/2)

- **Deforestation generated an economic loss of over US\$5 billion from 1990 to 2010.**
- **Approximately 75m people** (80% of the country's population), **directly depend on forests and natural resources** for income, energy, medicines, food, fodder, building materials, water, and as a main buffer against drought/flood risks.
- Forest = direct contribution to total **GDP is 4-6%**.
- Forest ecosystems contributed **6.7% of GDP** via value added services in agriculture and other industries.
- **Forest = jobs for about 5% of the country's workforce** through honey, forest coffee, and timber.
- Could generate **78,000 new jobs and almost 1 billion USD annual contribution to GDP with 350 million USD investment** in both forest plantations and processing facilities.



National policies and commitments related to Forests

- Ethiopia's **Second Growth and Transformation Plan (GTP-2)** and **Climate Resilient Green Economy (CRGE) Strategy** include transformational targets to reduce poverty and holistically manage the rural landscape for multiple benefits.
- The country **aims to grow to middle income status by 2025 while maintaining net zero greenhouse gas (GHG) emissions.**
- **These emissions reductions must come mostly from rural landscapes:** Ethiopia's **NDC** emission reductions target is 255 MtCO_{2e} (of which 130 forest, 90 agriculture) by 2030, compared to the BAU calculation of 400 MtCO_{2e}.

→ GTP-2 target: **5 million** hectares of additional forest cover in the next five years (2016-2020).

→ Longer-term target: **22 million hectares** for broader landscape restoration by 2030.



World Bank support to Forest, Landscapes, and Climate Change in Ethiopia (1/3)

Landscapes portfolio: Convenes institutions, investments, incentives, information

Nearly \$500m ENRM operations, Over US\$2 billion other sector operations, tens of millions of hectares

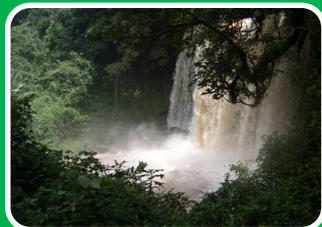
1. National REDD+ Readiness (FCPF, BioCF)
2. Oromia Forested Landscape Program (BioCF ISFL)
3. Sustainable Land Management Project II (IDA, GEF, Norway)
4. Resilient Landscapes and Livelihoods Project (IDA, GCF, GEF, bilateral, private sector)
5. Climate Resilient Green Economy (CRGE) Facility - Programmatic Advisory Services (BioCF)
6. Other operations that address natural resources: Productive Safety Nets (IDA), new livestock operation (IDA), Agricultural Growth Program (IDA) – more than US\$2 billion

World Bank support to Forest, Landscapes, and Climate Change in Ethiopia (2/3)



National REDD+ Readiness activities (MEFCC)

- \$13.6m of which \$11.4m disbursed
- On-going support to prepare OFLP and other investment, and convene financing



Oromia Forested Landscape Program (MEFCC)

- \$68m: \$18m Grant + up to \$50m emissions reductions purchase
- Approved - Grant under implementation; ERPA negotiation in 2018
- Oromia jurisdiction: ~32m ha



Sustainable Land Management Project II (MOANR)

Restores landscapes at scale: land tenure, land management, reforestation, watersheds, and climate-smart agriculture

\$105m IDA + GEF + Norway + \$125m in parallel financing (Germany, Canada, etc.)

WB President's Innovation Award 2017

World Bank support to Forest, landscapes, and Climate Change in Ethiopia (3/3)



Resilient Landscapes and Livelihoods Project (in support of the Sustainable Land Management Program) (MOANR)

- Under preparation for July 2018 delivery
- \$300m: \$100m confirmed IDA loan, \$50m multi-donor trust fund, \$95m estimated GCF grant, \$10m estimated GEF, \$50m estimated government and community co-financing, \$5m estimated private brewery water payments for environmental services, + \$200m parallel partner financing
- Scales up and enhances SLMP-2: more on household energy, gender, private sector, landlessness



Climate Resilient Green Economy (CRGE) Facility Advisory Services (MOFEC)

- Works with finance ministry's CRGE unit to help operationalize national climate fund
- Multisector investment planning for adaptation, safeguards training, etc.
- Advisory services delivered: Forest Sector review (delivered), Forest Private Sector Investment Plan (with IFC), Multisector Investment Plan for Climate Resilience (with PPCR), Country Environmental Analysis
- On-going public-private dialogue on forest development and investment (with IFC)
- On-going policy instruments training and development

National REDD+ Readiness activities

Grants totaling US\$ 13.6M (\$11.4m disbursed to govt)

- FCPF US\$ 3.6M: 100% disbursed (2013 - 2016)
- BioCF US\$ 10M: 78% disbursed (2014 - June 2018)

Key Outputs

- REDD+ Strategy including relevant forest analytics
- REDD+ Safeguard Instruments
- FREL and National Forest Monitoring System including MRV institutional arrangements
- OFLP prepared and three more regional programs identified

Oromia Forested Landscape Program (OFLP)



Program start up process

- US\$ 18M mobilization grant

Program establishment & implementation:

- Coordination of investments, institutions, incentives, and information
- Safeguards system
- M&E system
- Benefit sharing system
- MRV system
- Initial investments

Program leverages more financing

- ER Payments (up to US\$ 50M)
- More ER payments
- More grants
- CRGE facility & Govt. budget
- Development Bank of Ethiopia
- Private sector and market development

Scale up

Next steps


REDD+ Readiness Implementation through June 2018

- Institutionalization of MRV and MRV manuals and protocols
- REDD+ registry and safeguards information system (SIS)
- Continue preparation of REDD+ program design for 3 pilot regions
- Continue public-private dialogue for private forest investment

Oromia Forest Landscape Program (OFLP) implementation

- Advance OFLP grant implementation: staffing, investment site planning, safeguarding
- Negotiate the ERPA within the next 9-12 months
- Coordinate investment in practical terms on the ground
- Finalize benefits sharing mechanism by Dec 30, 2017





~~The End~~

The beginning...



WORLD BANK GROUP
Climate Change

Thank you!

