



# IDENTIFICATION OF REGIONAL AND INTERNATIONAL ACTIONS/STRATEGIES TO MOBILIZE FINANCING FOR FORESTS

Tuukka Castrén/World Bank  
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# Structure

1. World Bank in global development finance system
2. Bank's forest financing
3. How priorities are set; country programming
4. Forest financing agenda





# Banks...

- "Cause that's where the money is."
  - William "Willie" Sutton (1901-1980)





# World Bank Group

‘the World Bank’



International  
Bank for  
Reconstruction &  
Development  
(1944)



International  
Development  
Association  
(1960)



International  
Finance  
Corporation  
(1956)



Multilateral  
Investment  
Guarantee  
Agency  
(1988)



International  
Center for the  
Settlement of  
Investment  
Disputes  
(1966)



# Also more than a bank

- Development Agency (grants, credits, knowledge)
  - Hub for Global Partnerships
  - Think-tank
  - "School"
  - Depository of global data
- Solutions Bank

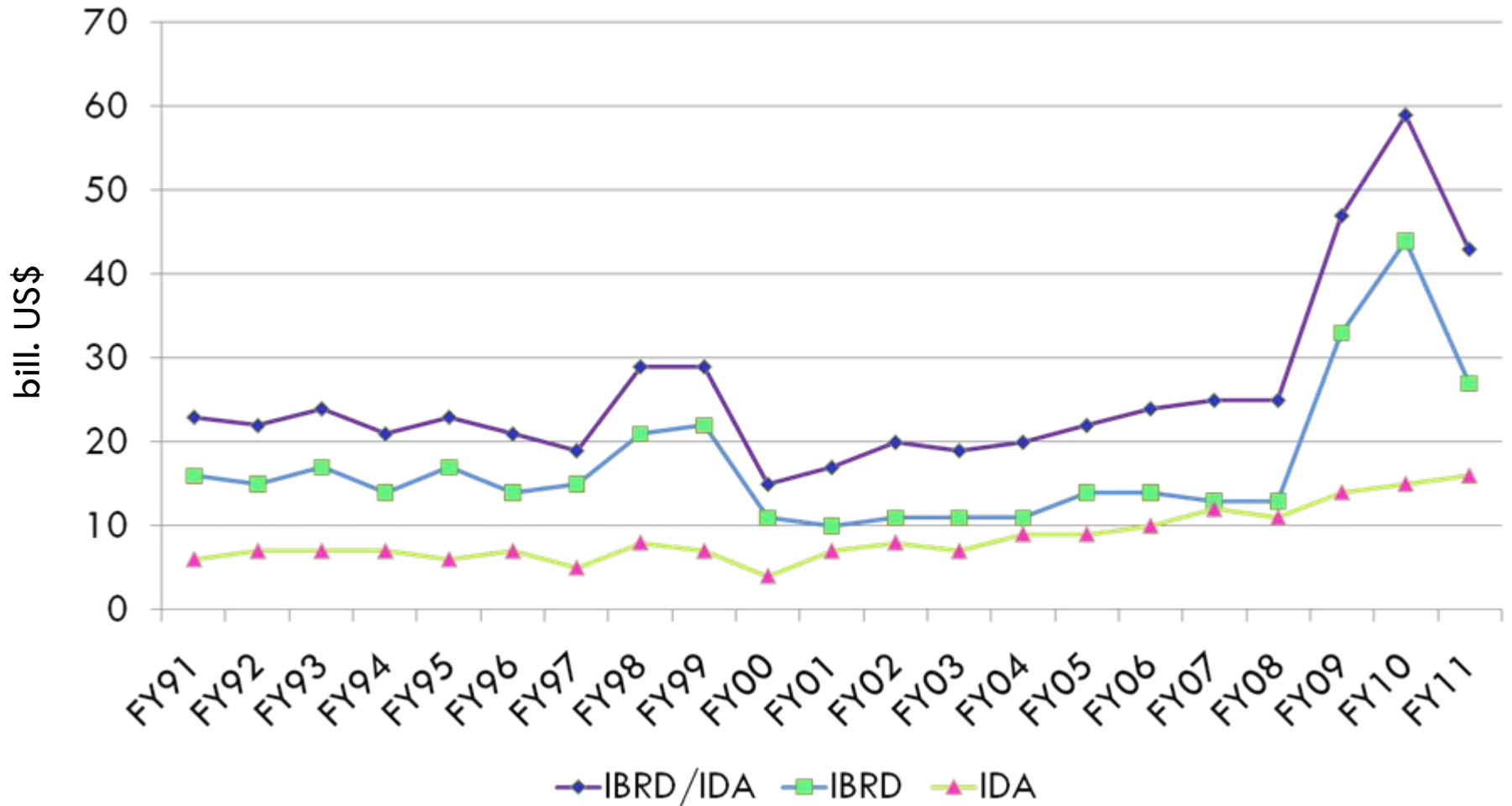


# World Bank partnerships





# World Bank funding





# Since 2002...

- committed \$2.8 billion to forests investments (mostly IBRD, IDA, GEF)
- currently active portfolio:
  - 57 operations, total \$727 million
  - 7 regional operations and 50 country operations
- \$300-\$400 million in new business a year. Turnover is about 4 years
- engagement with REDD+ through FCPF and FIP

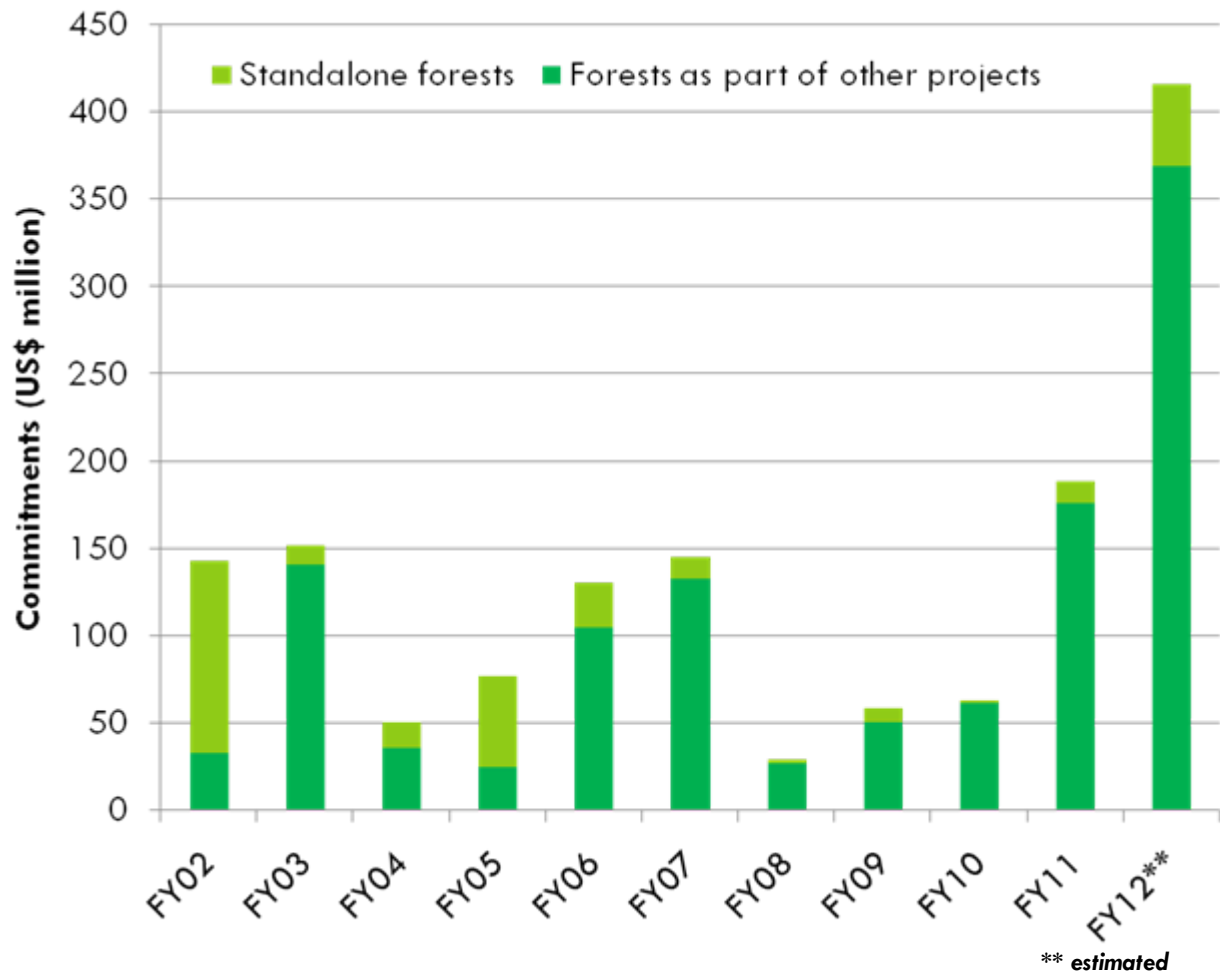






# Forests portfolio

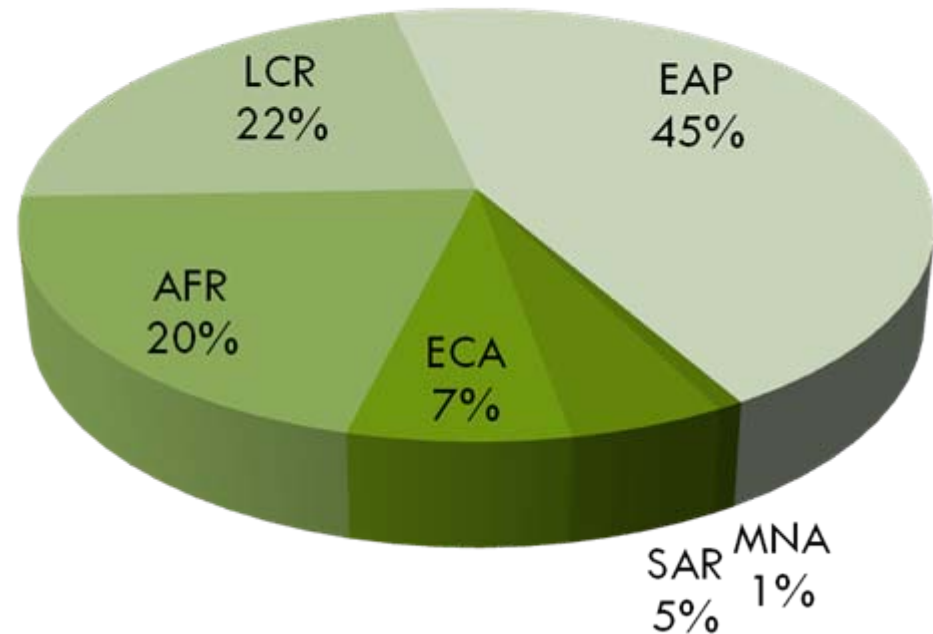
- relatively little standalone forests lending
- 80 percent of lending is to Middle Income Countries





# Forests portfolio

- Largest operation is \$95 million (China)
- Average project size is \$12.8 million





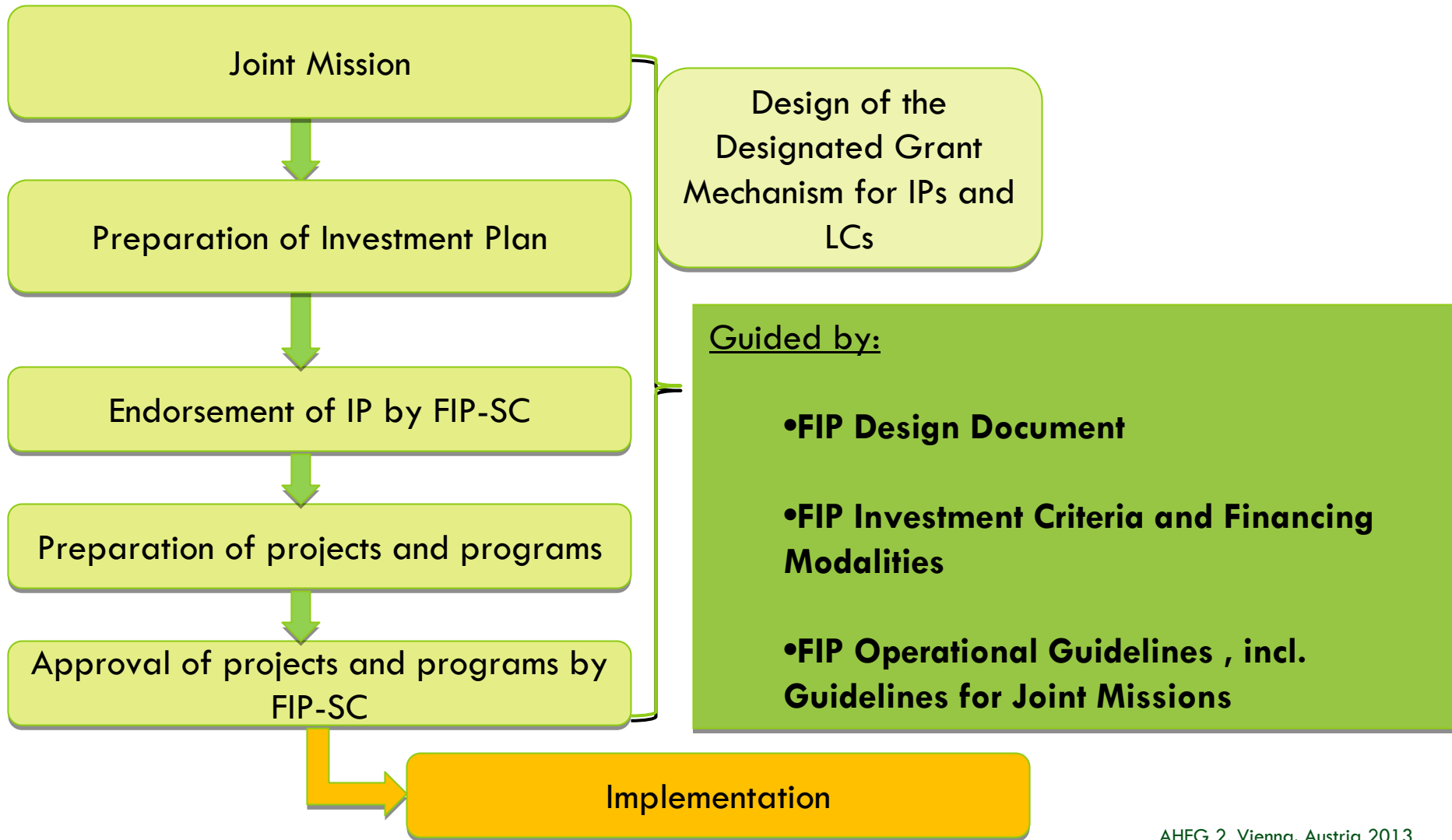
# Country Assistance Strategy

- country's vision of its development goals (Poverty Reduction Strategy - PRS)
- identify key areas in which Bank Group support can best assist to achieve development goals
  - country's development vision
  - diagnosis of its development challenges
  - development results to be influenced by the Bank
  - an indicative program of Bank lending and non-lending activities (financing envelope)



# Thematic fund programming

## - case FIP





# Basic equation





# Pathways for forest financing

- Thematic funds increasing (e.g. FIP, FCPF)
  - ... how to avoid fragmentation and supply driven agenda
  - ... harmonization
- Scaling up landscape approaches
  - ... rural livelihoods
  - ... trade-offs
  - ... adaptation
- Governance
- Results



# Emerging priorities

- Strengthening systems for sustainable forest management
  - ... plantation
  - ... community-based management
  - ... managing critical forest habitats
- Institutions
  - ... private investment in forests and landscapes
  - ... markets for environmental services
  - ... policy and institutional reform, governance



# Thank you







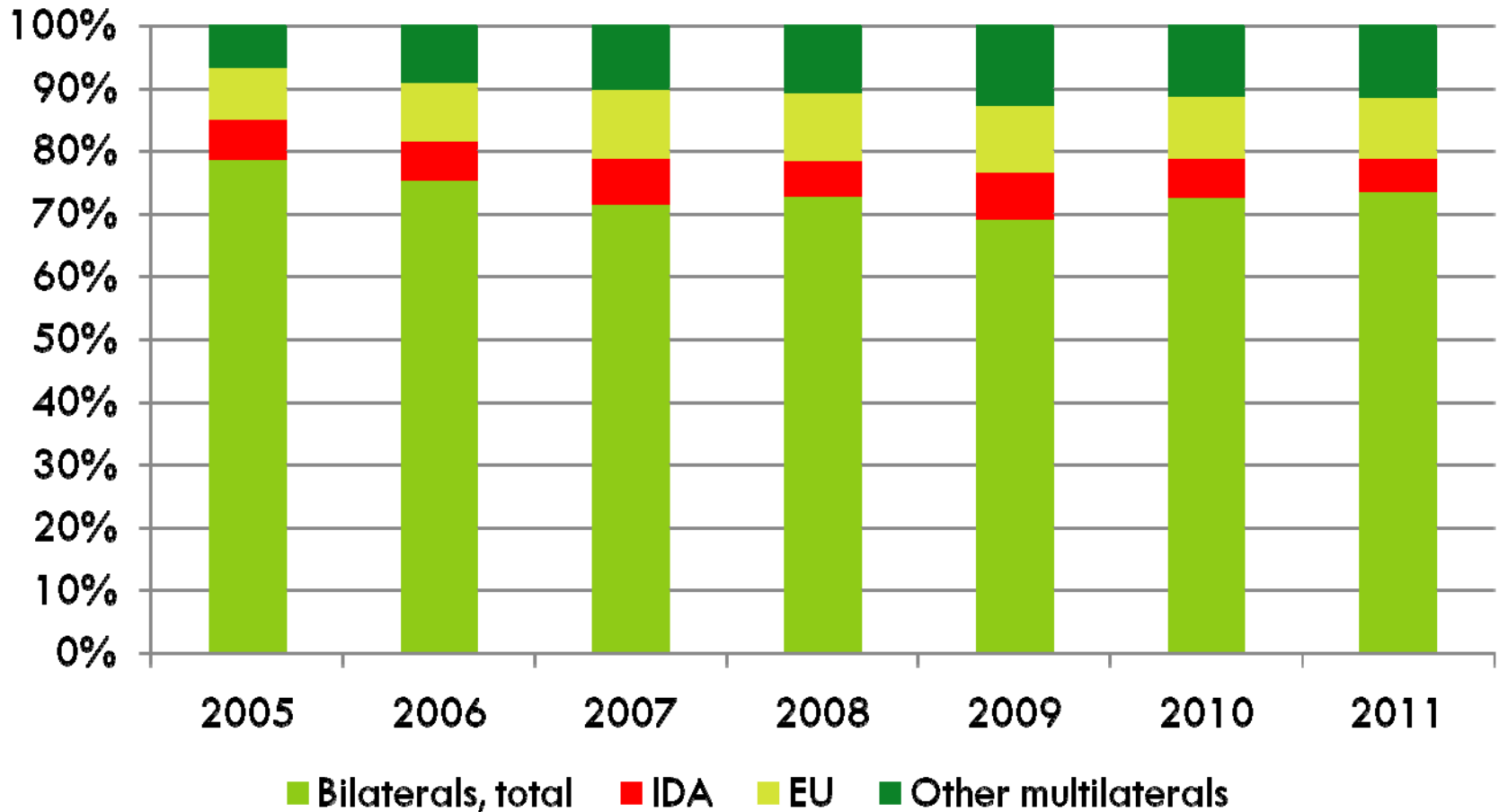


# Multilateral and Bilateral Non-Governmental





# IDA is only part of aid





# Global Partnerships



- Forest Carbon Partnership Facility (FCPF): US\$ 232 million (Readiness Fund); US\$215 million (CF)
- Forest Investment Program (FIP): US\$ 602 million (*not a WB program per se*), DGM
- Critical Ecosystems Partnership Fund (CEPF): US\$216 million
- BioCarbon Fund: US\$ 90 million
- Guyana REDD+ Investment Fund: US\$ 135 million
- Indonesia Forest Carbon Trust Fund: US\$7 million
- PROFOR and FLEG: US\$ 22 million