



AfDB

Climate Finance

Vol. 1 No. 5 April 2011

Nurturing Africa's Green Growth

African forests worth more standing than cut

Deforestation and forest degradation are the second leading cause of global warming after the energy sector. To help Africa sustainably manage and conserve its forests—and financially benefit from their stored carbon—the African Development Bank (AfDB) is implementing two dedicated funds: the [Congo Basin Forest Fund \(CBFF\)](#), hosted by the AfDB, and the [Forest Investment Program \(FIP\)](#). Both of these relatively new funds work in concert with the [UN's Reducing Emissions from Deforestation and Forest Degradation program \(REDD+\)](#), which gives incentives to developing countries to reduce emissions from forested lands and invest in low-carbon paths to sustainable development. Beyond carbon payments, REDD+ promotes other socio-economic benefits, such as jobs, livelihoods, land tenure clarification, development of non-timber forest products, enhanced participation in decision making, and improved governance.

CBFF helping DRC prepare for REDD+

REDD+ has made forests a legitimate part of carbon markets and provides Africa with a new-found opportunity to benefit from international climate change financing.

The Democratic Republic of the Congo, with its nearly 150 million hectares of tropical forest and estimated REDD+ potential of over 400 million tons of CO₂ per year, is designing its national REDD+ strategy. CBFF is in the process of approving several pilot projects located in different sub-ecosystems nationwide.

1. The Luki REDD+ Pilot Project will expand and regenerate the savannah woodland forest cover in the Mayombe, improve conditions for communities living around the Biosphere reserve, and create a local governance system.

2. The Mambasa Project will build the capacity of local governments and other stakeholders to manage and plan land use. It will also work on harmonization and enforcement of laws, and

build the local populations' capacities to manage their environment in a sustainable manner.

3. The South Kwamouth Agroforestry Project will promote the sustainable management of natural resources, improve the wellbeing of the local communities, and improve national and international regulations concerning sustainable forest management.

4. The Equateur Project will strengthen the capacity of stakeholders to develop a REDD+ strategy and manage carbon funds.

5. The EcoMakala Project will increase forest cover and improve the livelihoods of forest dwellers.

6. In Isangi Project will demonstrate the benefits of alternate income-generating activities in rural and urban micro-zones.

Why forests matter

Forests play a critical role in climate change by sequestering, or storing, large quantities of carbon (by absorbing CO₂) as they grow. Stopping, or slowing, the rate at which forests are cleared is critical to maintaining their carbon-storing capacity and the ecological "services" they provide, including biodiversity, watershed protection and recreation.

Unfortunately global deforestation rates remain high due to rapid population growth and the associated need for farming and grazing land, overexploitation of timber, and the production of biomass for biofuels, mining, and road construction. The United Nations General Assembly declared [2011 as the International Year of Forests](#) to raise awareness on sustainable management and development of all types of forests.

CBFF @ the Bank

Founded in 2008 with a £100 million grant from the UK and Norway

Provides grants to governments and NGOs in Congo Basin countries to improve policies and regulatory mechanisms that protect the forest and support the people whose livelihoods depend on it.

Host by the AfDB and being implemented by OSAN

The Congo Basin rainforest is the second largest tropical forested area on the planet with a huge carbon store capacity. Curbing deforestation in the Congo Basin will provide a highly cost-effective way of reducing greenhouse gases.

Contact: [Clotilde Mollo N'Gomba](#), CBFF Coordinator

New CBFF website coming soon!
www.cbf-fund.org

FIP: Reduce emissions, protect carbon reservoirs

The Forest Investment Program (FIP) is funded by the Strategic Climate Fund (SCF), one of the two [Climate Investment Funds \(CIF\)](#). FIP is designed to increase investments to help countries reduce greenhouse gas emissions from deforestation and forest degradation (REDD+), and promote improved sustainable management of forests. FIP is also a vehicle to build on experience and create new means for broad-scale sharing of knowledge on REDD+.

With pledges equaling approximately USD 587 million, FIP is active in eight pilot countries worldwide, including three in Africa: Burkina Faso, Democratic Republic of Congo and Ghana.

Burkina Faso

Land and forest degradation account for 60% of Burkina Faso's GHG emissions. The REDD+ potential in Burkina Faso calls for reducing deforestation and forest degradation, sustainably managing existing forests and agroforestry systems, and enhancing forest carbon stocks. This will contribute to a positive carbon balance while supporting rural livelihoods and protecting the considerable remaining biodiversity of the natural semi-arid forests in the southern part of the country.

[Burkina Faso is set to present its FIP Investment Plan](#) for approval this summer. It is requesting USD 30 million to implement projects designed to promote decentralized, sustainable forest management that supports wider stakeholder participation and deeper appreciation of the forest value chain. The AfDB expects to channel about half of the FIP funds to Burkina Faso, along with its own co-financing, to support investments in national forests and nature parks and their administration.

Democratic Republic of Congo

The Democratic Republic of the Congo (DRC) was selected as a FIP pilot country due to its progress in the 'preparation for REDD+' process. It is the first country in the Congo Basin with an approved Readiness Preparation Proposal (R-PP). The National REDD Coordination of DRC, with support from a number of technical and financial partners, has also prepared

six guidance notes that will inform DRC's FIP Investment Strategy:

1. Afforestation and reforestation
2. Subsistence agriculture
3. Land use planning
4. Land and forest tenure
5. Improved wood-fuel stoves
6. District-level integrated development

Ghana

Arresting deforestation and forest degradation is an important priority for Ghana. It is developing a comprehensive Low Carbon Growth Plan that will address climate change as a part of national and sectoral development strategy. This plan would put FIP and REDD+ activities into a wider national context.

In addition, Ghana has a number of instruments and policy frameworks with potential to mainstream FIP investment into development activities. Ghana is well placed to exchange lessons learned through the FIP process with neighboring countries, particularly Liberia.

Focus on local communities

The FIP [Indigenous Peoples and Local Communities Dedicated Initiative](#) has been established to provide these indigenous people and local communities grants to support their participation in development of FIP investment strategies, programs and projects.

The goal is to strengthen their capacity to play an active role in national REDD+ and FIP processes, while recognizing and supporting their tenure rights, forest stewardship roles, and traditional forest management systems.



2011 CIF Partnership Forum explained

Mafalda Duarte, CIF Coordinator, explains the four themes of the upcoming [2011 CIF Partnership Forum hosted by the ADB](#), and why CIF is important to Africa and the AfDB. This year, the forum will focus on:

- Private sector engagement in mitigation and adaptation investments
- Scientific updates and guidance on prioritizing actions
- Climate modeling
- Development of local, clean energy manufacturing industries

Next issue

Africa Carbon Facility (ACF)

The AfDB is designing the ACF to promote private sector participation in Africa's emerging carbon markets through seed capital, guarantees, and debt financing for qualifying projects.