

# EnABLE

ENHANCING ACCESS TO BENEFITS WHILE LOWERING EMISSIONS





This information memorandum describes the background to and rationale for the EnABLE multi-donor trust fund, as well as its program priorities, implementation arrangements, organization, and governance.

## BACKGROUND

The overall goal of EnABLE, a global knowledge, operations, and technical assistance program, is to promote and strengthen social inclusion in results-based climate finance activities. Its specific purpose is to enhance the inclusion of Indigenous Peoples (IPs), Local Communities (LCs), and other disadvantaged and marginalized groups, such as women, youth, and people with disabilities (*hereinafter referred to as target beneficiaries*) in emissions reduction programs (ERPs) under the Climate Emissions Reduction Facility (CERF) and its associated trust funds in order to maximize their carbon and non-carbon benefits<sup>1</sup>. Achievement of this objective is expected to contribute to broader outcomes, such as improvements in livelihood resilience, biodiversity conservation, and climate change mitigation.

Set up in December 2020 with a €20 million grant from Germany, EnABLE aims to mobilize up to US\$200 million for commitment and disbursement during 2021–2030, including US\$100M to support inclusion in Forest Carbon Partnership Facility (FCPF) ERPs. EnABLE-funded activities—aligned with applicable World Bank Country Partnership Frameworks (CPFs), as well as the World Bank’s Climate Change and Social Sustainability and Inclusion Strategies—are guided by three main principles:

- Programming focuses on **country-specific ERPs and benefit-sharing plans (BSPs)** to enhance target beneficiaries' participation in their preparation, implementation, and access to carbon and non-carbon benefits.
- Majority of activities is intended to be **recipient-executed** i.e., initiated, prepared, and implemented by government agencies, groups of target beneficiaries, or Civil Society Organizations (CSOs).
- All activities are implemented based on **partnerships of ERP and BSP stakeholders**, namely: target beneficiaries, CSOs, government agencies, and private sector actors.

<sup>1</sup> Established in 2020, CERF, an umbrella fund for result-based climate finance, is the World Bank’s first trust fund providing operational liquidity at scale for low carbon development projects. CERF’s linked and associated trust funds include: the Carbon Initiative for Development (Ci-Dev); the Forest Carbon Partnership Facility (FCPF); the Initiative for Sustainable Forest Landscapes (ISFL); the Transformative Carbon Asset Facility (TCAF).

## WHY EnABLE—THE RATIONALE

Since 2008, the Forest Carbon Partnership Facility (FCPF) Readiness Fund has committed over US\$15 million for national capacity building including for forest-dependent IPs and southern CSOs, as well as regional exchanges and sharing of lessons learned. These activities have helped raise public awareness about the impact of climate change in general and the need to reduce emissions from deforestation and forest degradation and related activities in particular (REDD+).<sup>2</sup>

By September 2021, the FCPF Carbon Fund had signed emissions reduction payment agreements (ERPAs) with 14 countries (Chile, Costa Rica, Dominican Republic, Democratic Republic of Congo, Fiji, Ghana, Indonesia, Ivory Coast, Lao DR, Madagascar, Mozambique, Nepal, Republic of Congo, Vietnam) valued at more than US\$670 million. Guatemala is on track to sign its ERPA. Meanwhile, the first ERPA disbursement—to Mozambique—is expected to occur by mid-2021, followed by implementation of its related BSP.

Thus, with 15 ERPAs valued at over \$720 million expected to roll-out during 2020-21, longer-term dedicated financial support is needed so that the ERPAs and related BSPs socially inclusive. This is especially important for those target beneficiaries who are historically disadvantaged and marginalized, reside in remote locations, and have limited access to communications, education, information, and other services. In this connection, the following more detailed considerations about social inclusion are also relevant:

- **First, over 370 million IPs in more than 75 countries and other forest-dependent LCs together populate a quarter of the world’s land surface.** Together, they account for about 17 percent (293 billion metric tons) of total carbon found in tropical and subtropical forests. Drawing upon indigenous, traditional ecological knowledge and experience, IPs and LCs are often well suited to adapt to climate change, strengthen resilience, conserve biodiversity, and contribute to climate change mitigation.
- **Second, forest management by IPs and LCs in tropical countries has received only minimal global funding over the last decade,** averaging about US\$270 million annually or less than 1 percent of official development assistance for climate change and adaptation. Moreover, few donors prioritize land tenure and forest management and little aid reaches IPs and LCs.
- **Third, social inclusion and stakeholder engagement are central to REDD+ activities, as well as other results-based carbon finance programs.** FCPF capacity building support has enhanced the effectiveness, inclusiveness, and sustainability of REDD+ activities, as well as the quality of their design and implementation. More recently, initial experience with ERPA implementation suggests that their efficacy and impact will likewise depend significantly on the extent of stakeholders’ engagement, especially of target beneficiaries.
- **Fourth, enhanced social inclusion increases the equity and effectiveness of results-based climate finance programs and reduces the risk of their capture by vested interests.** A growing body of literature confirms the negative impact on IPs and LCs of benefits captured by powerful and relatively wealthy stakeholders, with women often especially disadvantaged due to their limited access to assets, knowledge, and skills. On the other hand, enhanced, locally designed social inclusion programs help ensure that climate finance in general and ERPAs in particular benefit target beneficiaries. Such programs are also crucial to ensure the community buy-in that is necessary for their success and sustainability.

<sup>2</sup> REDD+ activities comprise Reducing Emissions from Deforestation and forest Degradation (REDD) activities, plus forest carbon stock conservation, sustainable management of forests, and enhancement of forest carbon stocks in developing countries.

- **Fifth, given the large increase in climate finance flows anticipated during the 2020s, the need for enhanced social inclusion programs is also likely to grow significantly.** At the same time, these programs must be brought closer to beneficiaries and communities, while enhancing synergies between them. There is also a need to explore innovative delivery mechanisms involving local actors—local authorities, enterprises, and community organizations, as well as communities, households, and individuals—either in climate adaptation and mitigation investments, or to help them participate meaningfully in decisions about such investments.
- **Finally, the World Bank—a trusted steward of donor funding, a creditworthy counterpart for market participants, and a global convener for donor and developing countries, non-profit organizations, and the private sector—is well positioned to host EnABLE.** It will oversee efforts designed to ensure that ERPs are monitored accurately and verified, promote a high level of social inclusion in all EnABLE-supported programs, and thereby enhance the quality of the co-benefits generated.

Given the above considerations, the rationale for a substantial medium-term EnABLE trust fund to promote and strengthen social inclusion in results-based climate finance programs is clear. EnABLE improves the coherence of social inclusion activities within ERPAs at the country level, regionally and globally. It enables a stronger knowledge agenda, acts as a clearing house for information, support synergy in countries and communities where multiple funds are active, and ensures focus on social inclusion as a central rather than an ancillary activity. Moreover, it will align with the World Bank’s Social Sustainability and Inclusion Strategy (SSI) and Climate Change Action Plan 2021-2025 (CCAP), which includes inter alia a strong emphasis on strengthening social resilience to climate extremes and natural hazards, as well as on engagement of marginalized groups in climate decision-making. Finally, coordination and synergy with ongoing FCPF capacity building activities through end-2022 ensures that EnABLE leverages FCPF resources and builds on its lessons learned and experience.



Photo by Axel Fassio/CIFOR

## EnABLE PROGRAM PRIORITIES

Three priorities guide EnABLE support for the target beneficiaries’ engagement in implementing ERPAs and related BSPs during 2021-25, as follows:

- **Enhancing the enabling environment** for carbon and non-carbon benefits of target beneficiaries through supporting a favorable policy and legal framework, strengthening capacities, skills, and voice of target beneficiaries and of their organizations to engage in results-based climate finance (RBCF) programs and benefit from them.
- **Identifying and strengthening opportunities for engagement** of target beneficiaries by supporting their collaboration and **partnerships** with other key stakeholders, and ensuring that they lead and benefit from RBCF through appropriately designed pilot activities, which can be easily replicated and upscaled.
- **Integrating social inclusion and gender equity** in the design and implementation of RBCF programs through knowledge transfer and the sharing of best practices.

EnABLE funding is normally for up to 3 years—possibly longer depending on the duration of the corresponding ERPA—to ensure that medium- and longer-term barriers to social inclusion are addressed sustainably and without interruption. To the extent possible, EnABLE funding is to be recipient-executed by the target beneficiaries concerned, partly to encourage locally-led initiatives and partly to promote innovative programs and projects that are based on sustainable indigenous knowledge and practices. It identifies entry points for target beneficiaries to test approaches or practices that may be suitable for replication and scaling-up within BSPs and/or adoption by other development programs. Finally, given the diversity and number of countries involved and their ERPAs and BSPs, the design and implementation of EnABLE-funded activities require flexibility, especially at the outset<sup>3</sup>.

Corresponding to these three priorities, EnABLE support will typically comprise three types of activity: first, capacity and skills building to empower target groups and their established and recognized organizations, support to pilot investment activities enabling target groups’ engagement in ERPA-BSP implementation and their access to carbon and non-carbon benefits; and *third*, knowledge generation and transfer.

**Enhancing the enabling environment** for carbon and non-carbon benefits of target beneficiaries involves the following:

### Empowering target groups

- **Elaboration of capacity building plans**, based on rapid assessments of countries’ economic, political, and social contexts for ERPA activities and of target groups organizations’ needs and interest in engaging in ERPA implementation.
- **Organization of capacity building and institutional development activities**, e.g., for project design, project monitoring and evaluation, resource mobilization, financial management and reporting, gender, etc.
- **Supporting self-selection of target groups** for multi-stakeholder REDD+ and ERPA platforms.

<sup>3</sup> This flexibility will be reflected in the (separate) EnABLE Operational Guidelines.



**Strengthening REDD+ and other similar multi-stakeholder groups** (representatives of government, private sector, and target groups): to implement national or sub-national ERPA strategies; to articulate a shared vision, define an implementation roadmap, and assign roles and responsibilities; and to serve as a decision-making body for the allocation of EnABLE resources.

**Promoting partnerships and networks** between IPs, LCs, and other stakeholders to pilot approaches for accessing carbon and non-carbon benefits.

Identifying and strengthening opportunities for engagement of target beneficiaries include the following:

- **Locally led initiatives** for community-level capacity building to engage in, and benefit from results-based climate finance, especially ERPAs and BSPs, and for complex community projects (e.g., forest restoration, agro-forestry, land-use planning). Implementation of these activities will be led by the local stakeholders, such as governments, CSOs, IPs' organizations and the private sector. ERPA platforms will seek commitment by ERPA/BSP implementing agencies to co-finance and scale up successful pilots for replication in ERPA and BSP programs.

Integrating social inclusion and gender equity in the design and implementation of RBCF programs include the following:

- EnABLE-financed knowledge and best practices are to be operationalized to ensure their sharing between countries, stakeholders, and trust funds with the goals: to learn what works –and what does not; and to enhance social inclusion and reduce gender disparities in target groups.
- Examples of topics for knowledge sharing discussed during 2019 consultations with target groups include: human rights in environmental protection; security of land tenure; planning landscape and forest use or zoning; and governance and capacities of indigenous and traditional institutions.

## EnABLE IMPLEMENTATION ARRANGEMENTS

**EnABLE will be implemented in partnerships either with host governments in the lead, or led by target groups (IPs, LCs, and/or CSOs).** To effect real change and achieve sustainability, target beneficiaries are encouraged to engage with governments and the private sector and coordinate their efforts accordingly. EnABLE funding is to be made available either through annual grants to World Bank operational units concerned, with eligible and selected FCPF countries based on agreed criteria invited to submit project proposals annually, or by an annual competitive rolling allocation for analytical and advisory work. Recipient-executed activities are to follow World Bank Procedures for Small Recipient-Executed Trust Fund Grants, with progress monitored by the grant reporting and monitoring tool. Detailed EnABLE implementation processes and procedures are available in separate EnABLE General Approach Framework and Operational Guidelines (GAFOG).

**EnABLE operations will follow World Bank Environmental and Social Standards (ESS), with risks mitigated by the instruments of its Environmental and Social Framework (ESF).** Feedback and Grievances Redress Mechanisms (FGRM) are to be elaborated to ensure that all identified and emerging risks are noted and addressed. The Bank's grant reporting and monitoring tool are to be established at the global level as well and measures will be incorporated to ensure that they cater to the needs of disadvantaged and marginalized people, in line with the Directive Addressing Risks and Impacts on Disadvantaged or Vulnerable Individuals or Groups. The Bank's Grievance Redress Service (GRS) enables project-affected citizens, peoples, and stakeholders, if they so need, to file a grievance directly with the World Bank.



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## EnABLE GOVERNANCE

**EnABLE will eventually be part of the CERF umbrella governance structure, which will include an Umbrella Partnership Council (PC).** Until the PC for CERF is established, EnABLE programming is overseen by a Steering Committee, comprising representatives of the contributing partner and the SCCFM. The Steering Committee meets at least annually and makes decisions by consensus (albeit not necessarily unanimously). As EnABLE's governing body, the Steering Committee provides strategic guidance and oversight, approves EnABLE's Results Framework, work plan and budget, and reviews periodic progress and completion reports.

**An Advisory Panel comprising IP, LC, and CSO representatives from EnABLE-targeted countries is to be formed to advise the Steering Committee.** Its membership ensures regionally balanced representation by different interest groups, such as women and youth. Advisory Panel members, selected competitively, are expected to support EnABLE consultations with their constituencies in the various regions and provide technical advice and guidance on EnABLE policies and procedures. Subject to the agreement of all parties, they may be invited to participate in Steering Committee meetings as observers on a rotating basis or based on the geographical or thematic focus of the agenda.

## EnABLE ORGANIZATION

**EnABLE will be managed by the World Bank's Climate Funds Management Unit (SCCFM).** Besides overseeing day-to-day operations, EnABLE Secretariat is also responsible for: administering EnABLE funds; monitoring its annual plans and budgets; supporting the work of the Steering Committee; preparing financial and other reports and communications; and implementing global and cross-regional activities in collaboration with other World Bank units and partner organizations. The Secretariat also offers technical support for country-level and region-wide activities implemented by World Bank regional offices in Washington, D.C., and its country offices.



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