

GLOBAL CHALLENGE PROGRAM

Forests for Development, Climate, and Biodiversity

Tokyo - April 10, 2024



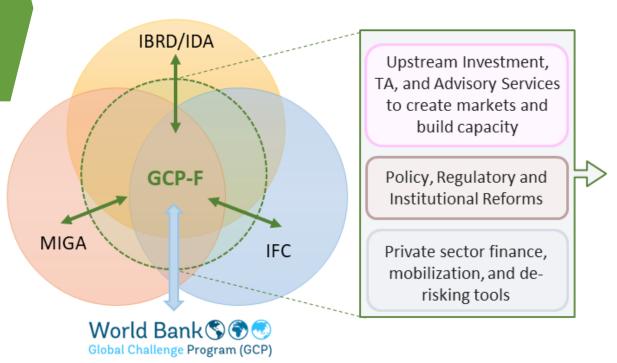






What is the GCP-Forests?

Delivering a holistic, poverty-focused, and client-oriented development agenda with financing at scale



IFC, MIGA, and World Bank Action Steps:

- Create a joint Investment Task Force to develop investments (e.g. joint dialogue, screening, outreach)
- Facilitate joint public-private dialogue
- Private sector finance, mobilization, and de-risking tools
- Develop joint investment strategies at country-level
- Engage jointly with other stakeholders/partners
- Establish joint country dialog
- Cultivate joint investment proposals
- Build on "lighthouse" investments
- Strategic sector assessments

IMPACTS

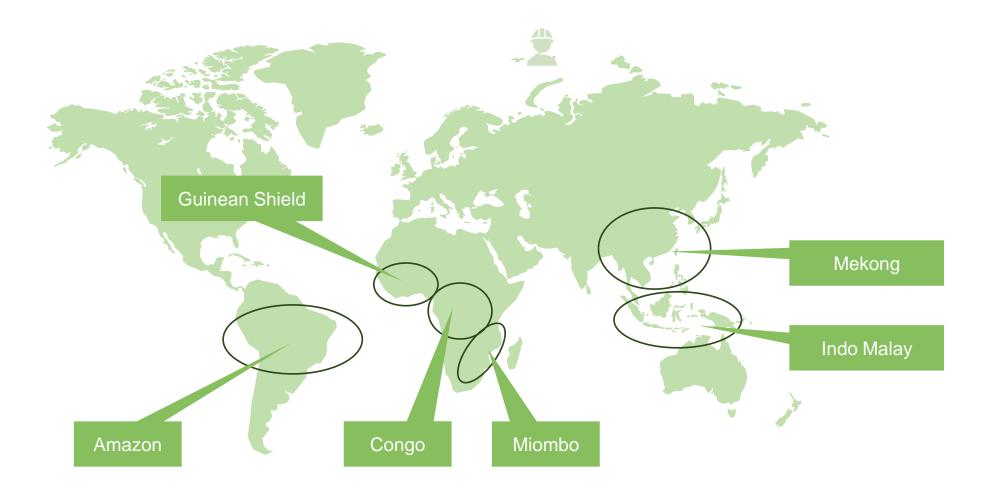
- Reduced forest loss and degradation
- ✓ Benefits for country and local economies
- ✓ Jobs, rights, poverty reduction
- Biodiversity and environmental services
- Climate mitigation and adaptation







GCP Forests: Approach through a Biome Approach









What is new? What is the "delta"?

- Scaling and strengthening the dialogue on forests
- Support teams in influencing CCDRs, CPFs, CEN, etc.
- Bring ongoing portfolio to the next level and scale up
- Identify entry doors for
 - > scaling carbon finance
 - bringing in private sector
 - innovative finance mechanisms

Holistic Development Approach creating Development Dividends:

- Economic growth, jobs & income opportunities, and improved access to services (finance, markets, health, education) for the most marginalized parts of the population
- Strengthened climate adaptation and resilience rooted in Nature-based Solutions



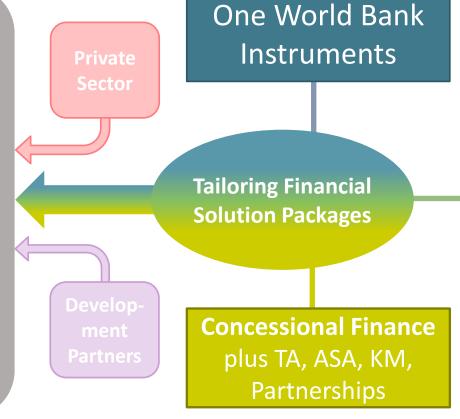




Achieving Financial Scale

Country / Regional Investments Programs e.g. through MPA, SOP

- People with new or better jobs in intervention areas (#) in 5 years: 3 million people in 20 years: 15 million people
- Private capital mobilized / enabled for the forest sector (\$)
- tCO2e mitigated per year: in 5 years: 100 million tCO2e in 20 years: 1 billion tCO2e
- Forest landscapes with enhanced resilience to climate risks (ha)
- Forest landscapes under enhanced conservation and management (ha) in 5 years: 10 million hectares in 20 years: 100 million hectares



Innovative (Green) Finance

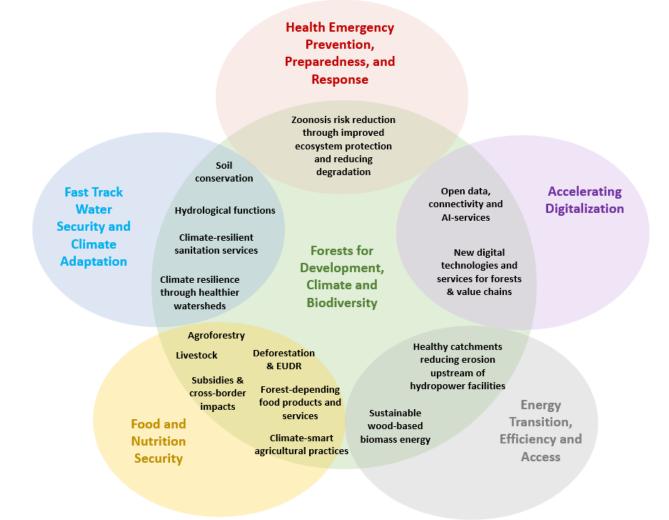
Туре	Instrument
Policy	Fiscal and financial reform, taxes, fees, fines, penalties
Debt	MDB Concessional loans
	MDB Non-Concessional loans
	MDB Guarantees/risk transfers
	Social, Green/SDG Bonds "Use of Proceeds" Bonds
	Sustainability-linked Bonds (KPIs linked Bond)
	Sustainability-linked loans
	Debt for Climate and Nature (DFCN) Project Swap
	DFCN programmatic swap
	Asset based securities (ABS)
Non-Debt	Grants
	Structured bonds (not issued by sovereign)
	MDB Guarantees/risk transfers
	Insurance: Catastrophe bonds
	Biodiversity credits
	Carbon credits
	Green commodity private equity fund
	Natural Asset Companies (NACs)
	Private Sector Green Value-chain Initiatives







Synergies with other GPCs









GCP-F Implementation

ADVISORY BOARD

GCP Forest Coordination & Implementation Team

Global hub for knowledge, information, data, metrics, innovative finance & markets, knowledge management, monitoring, partnerships

Program of Programs

REGIONAL PROGRAMS:

E.g. Amazon, Congo, Upper Guinea, Indo Malay, Miombo

Approach:

Step 1: Rapid regional biomes profiles
Step 2: Rapid Country Forest Development
Assessment (3 months)

Step 3: Country planning (6-12 months)
Step 4: Country Implementation (5-20 years)

Deforestation-free supply chain

Approach:

- Capacity building
- Curation of data
- Investments for meeting sustainability certification
- Private-Public roundtables
- Mobilizing supply chain monitoring technology

Bio-economy

Approach:

- Upstream engagements to create markets & build capacity
- Trade facilitation through TA, Advisory Services, and Capacity Building
- Private sector finance, mobilization & derisking tools

Economic diversification

Approach:

- Training & Capacity building
- Vocational training
- Access to Services (education, health care, finance)

Solution Areas: Information & Data, Governance, Policies & Institutions, Financing, Infrastructure

Cross-cutting themes: Conserving Forest Landscapes, Valorizing Forest Landscapes, Creating Development Dividends





