FIP OPERATIONS UNDERWAY: THE 2016 STATE OF PLAY

The rich forests of West Africa and the Congo Basin forest tracts — some of the world’s most treasured forest bodies — have been facing alarming loss over the past decades. Three of these forest-rich countries are implementing transformative forest solutions with support from the ADB and FIP.

In West Africa, Ghana: continued work in 2016 on two FIP-funded forest projects. The private sector Restoration of Degraded Forest Reserve through Certified Projects project was approved in September, allowing project developers to begin partnership plans with the government to restore and expand an existing Forest Stewardship Council certified forest plantation to nearly 12,000 ha of sustainable commercial forest plantations made up of 10% indigenous tree species and 96% teak. Loan signature is expected in early 2017.

In Ghana’s public sector Engaging Local Communities in REDD+/Enhancement of Carbon Stocks project, implementation progressed well and measures were put in place to accelerate further. The project aims to help communities restore degraded off-reserve forests and agricultural landscapes, promote climate-smart cocoa and agroforestry systems, and enhance efficient charcoal production. To achieve its objectives, the project will provide capacity building, seeds, equipment and financial incentives to develop agroforestry and alternative livelihoods activities. The project is designed to directly benefit 12,000 people, half of them women, and indirectly benefit 175,000 people. Burkina Faso is implementing the Gaarded Forests Participatory Management Project for REDD+ (PSGC/REDD+) to transform its vast forests which provide livelihoods to much of the country’s rural population. The project is providing capacity building, institutional strengthening and governance reform, and will improve the carbon sequestration capability of 12 gazetted forests (284,000 ha). The CO2 savings generated by the project over 25 years has been estimated at 4.7 million tons. The country is engaged in a REDD+ preparation process supported by the FIP and Forest Carbon Partnership Facility (FCPF), to enable them to sell forest carbon in the framework of REDD+.

In Central Africa, two-thirds of the Democratic Republic of Congo is covered by the Congo Rainforest, the second largest in the world. The country is implementing the Integrated REDD+ project in the Mbuji-Mayi/Kananga and Kisangani Basins. In March and July, the project signed 15 contracts and began to execute their terms.

EXAMPLES OF STAKEHOLDER ENGAGEMENT AND BENEFITS

In Ghana, the Restoration of Degraded Forest Reserve through VCS and FSC Certified Projects project is a first-of-its-kind project for ADB, also developed under the FIP’s Private Sector Set-Aside Program. The project is a partnership with Ghana, a private investment company which applies sustainable plantation management solutions. The project’s business model supports production of wood products with quality and sustainability to help meet increasing market demand while avoiding pressure on natural reserves. It stands to become a replicable approach for attracting private sector finance to the sector.

Stimulating Private Sector Engagement

In Burkina Faso, the government has taken an innovative $4 million public sector project supported by ADB and funded through FIP’s Private Sector Set-Aside Program, to revitalize its cashew sector and mitigate climate change, working through an innovative public-private sector business model between the national union of farmers’ cooperatives and the government. The Climate Change Mitigation and Poverty Reduction through the Development of the Cashew Sector in Burkina Faso Project received approval by end December 2016.

FOREST INVESTMENT PROGRAM (FIP)

Reduced Emissions Through Reforestation and REDD+

APPROVED PROJECTS UNDER IMPLEMENTATION

BURKINA FASO GAZETTED FORESTS PARTICIPATORY MANAGEMENT
FIP $12M
Purpose: To build carbon sequestration capacity in the forests, improving local people’s resilience to climate change, and reducing poverty through diversifying income sources, developing forested forest wood and non-wood products such as almond and shea processing and beekeeping.
Key expected results: Development of a measurable, verifiable, transparent system for REDD+, improvement of local forest governance, security and management of 284,000 ha of gazetted forests; establishment of a socio-economic support infrastructure for neighboring municipal authorities.

GHANA ENGAGING LOCAL COMMUNITIES IN REDD+/ENHANCEMENT OF CARBON STOCKS (ELCIR+)
FIP $10M, ADB $14M
Purpose: To reduce forest GHG emissions and poverty in a degraded savannah area and a closed forest area to address land tenure security, agriculture, forestry and energy.
Key expected results: Reductions of 4 million tons CO2 emissions reduced; 30,000 improved stoves; 8,500 ha forests sustainably managed; 20,000 rural micro-enterprises, 4,000 land-use trust rights formalized (50% women, youth).

GHANA RESTORATION OF DEGRADED FOREST RESERVE THROUGH CERTIFIED PLANTATION
FIP $10M, ADB $14M
Purpose: To catalyze private sector investments in large-scale sustainable and commercial tree plantations in degraded forest reserves by expanding an existing forest plantation; utilizing debt to catalyze private sector investments.
Key expected results: Emissions reductions; 11,350 ha of sustainably managed forest plantations; 400 direct full-time jobs and 600 direct seasonal jobs created.

In Burkina Faso, Project FIP $12M (2016-2020) is a partnership with Form Ghana, a private Ghanaian company which applies sustainable plantation management solutions. The project is a Partnership with Form Ghana, a private Ghanaian company which applies sustainable plantation management solutions. The project is a partnership with Form Ghana, a private Ghanaian company which applies sustainable plantation management solutions. The project's business model supports production of wood products with quality and sustainability to help meet increasing market demand while avoiding pressure on natural reserves. It stands to become a replicable approach for attracting private sector finance to the sector.

In Ghana, the Restoration of Degraded Forest Reserve through VCS and FSC Certified Projects project is a first-of-its-kind project for ADB, also developed under the FIP’s Private Sector Set-Aside Program. The project is a partnership with Ghana, a private investment company which applies sustainable plantation management solutions. The project’s business model supports production of wood products with quality and sustainability to help meet increasing market demand while avoiding pressure on natural reserves. It stands to become a replicable approach for attracting private sector finance to the sector.

In Burkina Faso, the government has taken an innovative $4 million public sector project supported by ADB and funded through FIP’s Private Sector Set-Aside Program, to revitalize its cashew sector and mitigate climate change, working through an innovative public-private sector business model between the national union of farmers’ cooperatives and the government. The Climate Change Mitigation and Poverty Reduction through the Development of the Cashew Sector in Burkina Faso Project received approval by end December 2016.

In Ghana, the Restoration of Degraded Forest Reserve through VCS and FSC Certified Projects project is a first-of-its-kind project for ADB, also developed under the FIP’s Private Sector Set-Aside Program. The project is a partnership with Ghana, a private investment company which applies sustainable plantation management solutions. The project’s business model supports production of wood products with quality and sustainability to help meet increasing market demand while avoiding pressure on natural reserves. It stands to become a replicable approach for attracting private sector finance to the sector.

In Burkina Faso, the government has taken an innovative $4 million public sector project supported by ADB and funded through FIP’s Private Sector Set-Aside Program, to revitalize its cashew sector and mitigate climate change, working through an innovative public-private sector business model between the national union of farmers’ cooperatives and the government. The Climate Change Mitigation and Poverty Reduction through the Development of the Cashew Sector in Burkina Faso Project received approval by end December 2016.