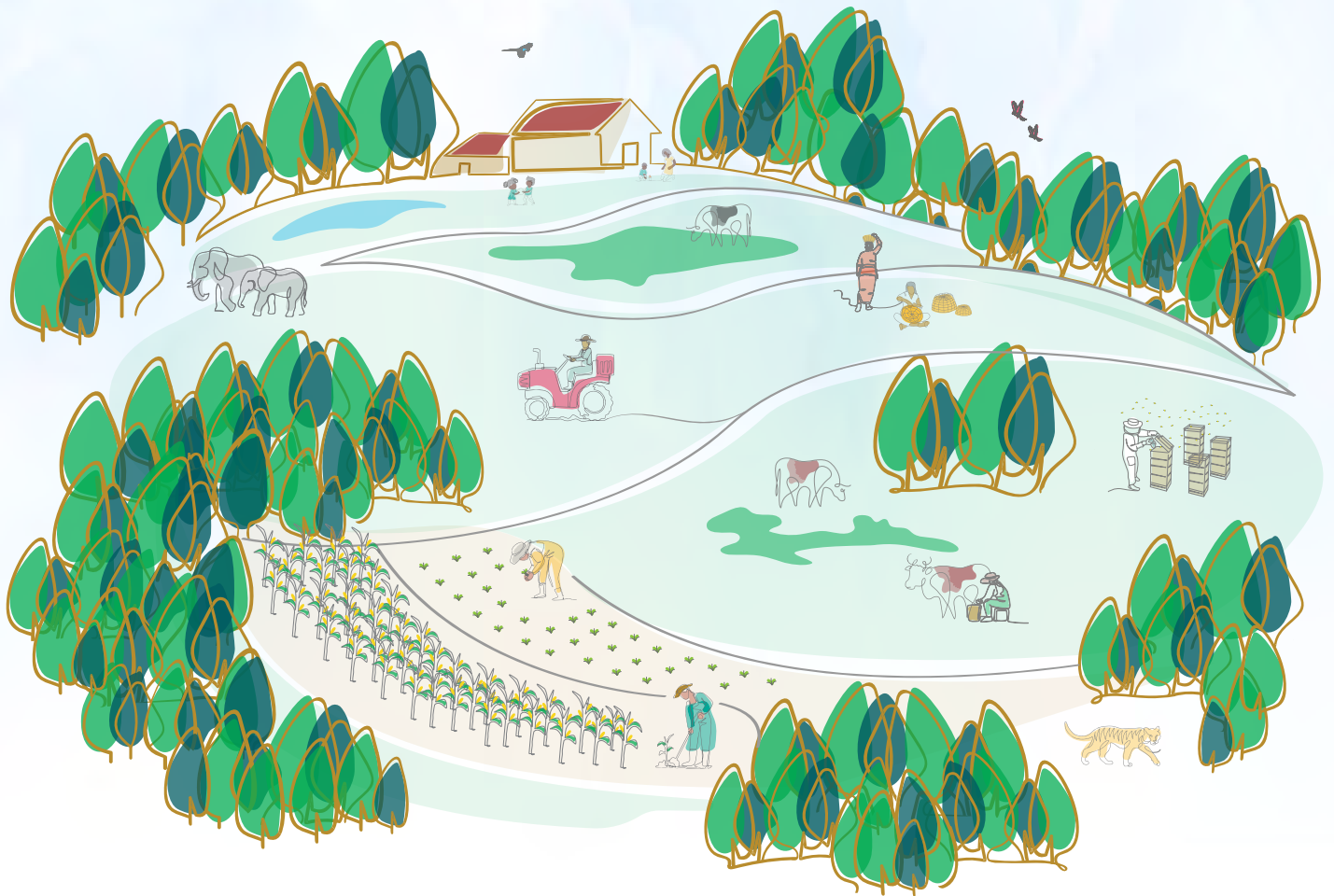


# The BioCarbon Fund Initiative for Sustainable Forest Landscapes

2024 Annual Report



**BioCarbon Fund**  
Initiative for Sustainable Forest Landscapes





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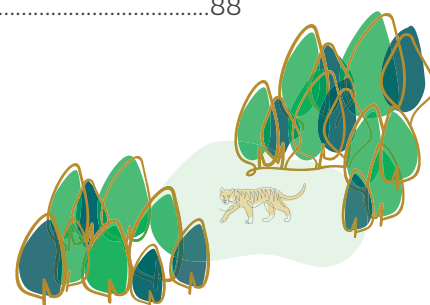
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# Abbreviations

<b>AFOLU</b>	Agriculture, Forestry, and Other Land Uses	<b>FY</b>	fiscal year
<b>AGROSAVIA</b>	Colombian Agricultural Research Corporation	<b>GEF</b>	Global Environment Facility
<b>ASA</b>	Advisory Services and Analytics	<b>GHG</b>	greenhouse gas
<b>BioCFplus</b>	BioCarbon Fund <i>Plus</i>	<b>ha</b>	hectare(s)
<b>BioCF T3</b>	BioCarbon Fund Tranche 3	<b>IDA</b>	International Development Association (of the World Bank Group)
<b>BMKG</b>	Meteorological, Climatological, and the Geophysical Agency (Indonesia)	<b>IFC</b>	International Finance Corporation (of the World Bank Group)
<b>BSP</b>	Benefit-Sharing Plan	<b>ISFL</b>	Initiative for Sustainable Forest Landscapes
<b>CATS</b>	Carbon Assets Tracking System	<b>JERRP</b>	Jambi Emission Reductions Results Project
<b>CONAFOR</b>	National Forestry Commission of Mexico	<b>J-SLMP</b>	Jambi Sustainable Landscape Management Project
<b>CONSEA</b>	Sectional Agricultural Development Councils (Colombia)	<b>MinAmbiente</b>	Ministry of Environment and Sustainable Development (Colombia)
<b>COP28</b>	28th United Nations Climate Change Conference in Dubai	<b>MRV</b>	Measurement, Reporting and Verification
<b>CORSIA</b>	Carbon Offsetting and Reduction Scheme for International Aviation	<b>MtCO<sub>2</sub>e</b>	metric ton of carbon dioxide equivalent
<b>CSA</b>	climate smart agriculture	<b>NDC</b>	Nationally Determined Contribution
<b>CSR</b>	corporate social responsibility	<b>NERPA</b>	Nested Emission Reductions Purchase Agreement
<b>EP-JSLP</b>	Eastern Province Jurisdictional Sustainable Landscape Program	<b>OFLP</b>	Oromia Forested Landscape Program
<b>ERC</b>	emission reduction credit	<b>PES</b>	payments for environmental services
<b>ERM</b>	Emission Reductions Monitoring Report	<b>REDD+</b>	Reducing Emissions from Deforestation and Forest Degradation, plus fostering conservation, sustainable management of forests, and enhancement of forest carbon stocks
<b>ERPA</b>	Emission Reductions Purchase Agreement	<b>SESA</b>	Strategic Environmental and Social Assessment
<b>ERPD</b>	Emission Reductions Program Document	<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>ESMF</b>	Environmental and Social Management Framework	<b>ZIFL-P</b>	Zambia Integrated Forest Landscape Project
<b>FCPF</b>	Forest Carbon Partnership Facility		
<b>FGRM</b>	feedback and grievance redress mechanism		
<b>FPIC</b>	free, prior, and informed consent		

# Letter from the Fund Manager

Fiscal 2024 was one of real progress for the BioCarbon Fund Initiative for Sustainable Forest Landscapes (ISFL). The year ended on a high note with the government of Zambia signing its Emission Reductions Purchase Agreement (ERPA) and moving forward with the Eastern Province Emission Reductions Program. For ISFL, Zambia's initiation of its innovative program that rewards and incentivizes communities to integrate land use planning and development with climate-change mitigation and adaptation constitutes a critical milestone.

## **How does ISFL support countries to reduce emissions while ensuring sustainability at the landscape level?**

First, it offers grants to participating countries to help build the technical infrastructure and capacity for communities to engage in land use behavior targeted at reducing emissions. Second, it supports these countries in measuring, reporting, and verifying the emission reductions generated, which can then be converted into emission reduction credits. When these credits are sold, the proceeds are distributed to the stakeholders and communities who had generated the reductions. This in turn provides funds for reinvestment into sustainable activities that further generate emission reductions. Therefore, the key to ISFL's operational model is its creation of a positive feedback loop with the continuous potential to yield more credits.

Apart from celebrating Zambia's signing and launch, we should also acknowledge the substantial progress made in the four other ISFL country programs this year. Ethiopia—the first country to sign an ERPA with ISFL—is already preparing its first Emission Reductions Monitoring Report. Colombia and Indonesia, which have made significant headway in reducing deforestation by changing regulations and adopting more sustainable land use practices, have finalized their Emission Reductions Program Documents (ERPDs). Both countries are now negotiating their ERPAs. Mexico also ended the fiscal year with the ERPD auditor signing off and validating their ERPD.

With the grant-financed preparatory work either completed or coming to an end, we are entering a challenging and technical stage that focuses on ER program implementation. This will require a full partnership between ISFL and the five country programs. Governments—both national and provincial—will need to work with communities to drive activities while simultaneously preparing their monitoring reports. A collective effort will be needed to ensure the generation of verified emission reduction credits and the distribution of results-based payments to the communities. This is a critical moment, as communities look toward receiving rewards as defined in ER program Benefit-Sharing Plans, which will motivate them to continue their endeavors to reduce emissions.

Just as significantly, we are deeply gratified that ISFL's progress over the past decade has received an unequivocal verification through an external mid-term evaluation. According to the independent, third-party evaluators, positive change is taking place in all five ISFL jurisdictions. Despite the unique complexities of the programs in five very different contexts, participating communities are already producing increased agricultural yields, reducing rates of deforestation, and generating benefits for biodiversity. The respective governments are adopting new rules and regulations to support sustainable business models and encourage investments in sustainability. In addition, they are also clarifying rules and regulations on land tenure and carbon rights to ensure those making changes can reap the benefits stemming from their emission-reducing activities.

Furthermore, the evaluators highlighted the value of the participatory nature of ISFL's program design in fostering collaboration across many local communities. This program design, with its focus on Indigenous peoples and the marginalized, has been acknowledged for contributing to large-scale buy-in and adoption.

We also received valuable input on how we can improve as we move forward. For example, in noting the impact on nature as a co-benefit of these programs, the evaluators highlighted the importance of capturing these types of results more robustly.

In taking a step back to reflect on the evaluation, it is important to point out that ISFL—with its multipronged approach of incentivizing emission reductions while enabling communities to thrive—is the first of its kind. It is a pilot program that seeks to cultivate a constellation of stakeholders willing to adopt a long-term, holistic view of an entire landscape and commit to a shared goal of protecting forested landscapes while helping communities in forested landscapes to thrive.

To achieve this aim, we are challenging our stakeholders to engage in behavioral change—in terms of how they interact with the land they rely on. We are asking farmers to change how they grow their crops and graze their livestock. We are asking communities to change how they power their stoves and feed their families. We are asking government ministries to change how they work with one another by crossing administrative boundaries. And we are asking donor agencies to change how they dedicate their resources and expertise to enable new, innovative methods of reducing emissions.

Although enabling behavioral change takes time, effort, and endless persistence, we believe that ISFL's innovative approach of incentivizing communities to embrace sustainable land use methods through emission reduction credits has the potential to engender real, lasting change. Our humble hope is that it can become a blueprint for climate change mitigation and adaptation at scale for practitioners around the globe.

### **Roy Parigat**

**Fund Manager, BioCarbon Fund Initiative for Sustainable Forest Landscapes**





# Overall BioCarbon Fund ISFL Progress to Date



**186,860**  
people benefiting from ISFL programs



**69,619**  
land users trained in agricultural productivity



**47,580**  
people trained in sustainable land-use practices



**\$363M**  
pledged to ISFL



**\$59.5M**  
in grant disbursements, by programs



**\$180M**  
leveraged in public and private finance



**5**  
programs with feedback and grievance redress mechanisms (FGRMs)



**100**  
partnerships and engagements with the private sector



**128**  
partnerships and engagements with not-for-profit organizations



**2**  
ERPAs signed

# Country Program Highlights



## Colombia

Following the finalization of the program's Emission Reductions Program Document (ERPD) during fiscal year 2024 (FY24), the program's Steering Committee agreed to commence negotiations relating to the commercial terms for the Emission Reductions Purchase Agreement (ERPA), with the signing hoped for by end 2024.

By the end of FY24, most of the grant-funded activities—including those related to reducing deforestation, promoting carbon-neutral agricultural practices, and establishing and strengthening agroclimatic roundtables—were successfully implemented. The program's draft Benefit-Sharing Plan is now close to being finalized, which lays out how future emission reductions payments will be distributed to local communities. The grant program will conclude at the end of October 2024.

Work on private sector engagement also progressed well. Critical work related to the development of improved sustainable business approaches for key value chains including rice, cacao, non-timber forest products, palm oil, livestock, coffee, and cashew, along with commercial forestry and agroforestry—were delivered. These outputs will continue to be promoted for adoption during the ERPA phase of the program.

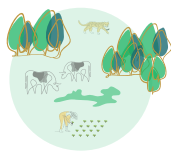


## Ethiopia

With Ethiopia's grant program finalized in FY23, work in FY24 was focused primarily on activities required to deliver and advance the emission reductions program:

1. Securing additional land use data on degradation and livestock emissions needed for the development of the second-phase ERPD (see details in section 2.2), which will be submitted for validation by the end of 2024.
2. Preparing to produce the program's first Emission Reductions Monitoring Report (ERMR). The report will provide emissions data for the first phase of the ERPA. Once the data are produced and verified, emission reduction credits can be issued and monetized as part of the first phase of the ERPA.

In addition to the ER Program work, work on two private sector activities has continued—each activity is piloting a new approach that considers how sustainable practices in key agricultural sectors may be adopted at scale across Oromia and beyond. These activities include coffee stumping and dairy hubs. Coffee stumping and rejuvenation, offers farmers the potential to increase productivity, and incomes, while reducing deforestation and encouraging afforestation. In the dairy sector hubs, the new approach aims to provide a model for improving dairy productivity by improving the management of livestock and reducing dairy sector emissions per pint of milk produced.



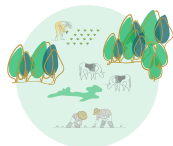
## Indonesia

The ERPD for the Jambi Emission Reduction Results Project (JERRP)<sup>1</sup> was finalized during FY24. In preparation for the emission reductions program, the team has held consultations with 9,977 relevant stakeholders (31 percent of whom are women) in 230 villages.

The ongoing grant program made significant progress throughout FY24 in implementing activities that generate emission reductions across the jurisdiction, including the following:

1. Bringing 320,792 hectares (ha) of land area under sustainable land management and/or restoration practices as well as 712,871 ha of total land area under sustainable management plans
2. Reestablishing 2,623 ha of forest through planting and/or deliberate seeding, including under agroforestry schemes
3. Reducing areas burned through coordinated community participatory patrols and forest fire management training

Work is also progressing on assisting farmers in adopting sustainable practices to raise their incomes while reducing emissions. To date, 1,426 farmers (of whom 29 percent are women) have been trained in adopting better agricultural technologies to support enhanced productivity. Furthermore, 156 community groups/villages have benefited through assets and/or services. Finally, 2,688 ha managed by smallholders are reported to comply with relevant sustainability guidelines.



## Mexico

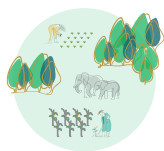
The ERPD for the ISFL Mexico Emission Reductions Program was finalized in July 2024. An extension of the grant underlying the program's activities through March 2025 will further strengthen the government's capacity to effectively implement a future emission reductions program.

During the year, the grant program delivered and supported activities that bolstered the government's institutional capacity to provide enhanced technical assistance for integrated landscape management and improve cross-sectoral coordination. For example, an enhanced governance program in the jurisdiction was initiated to allow the government to proactively engage with landholders and non-land tenure holders. This was done to familiarize them with CONAFOR's (National Forestry Commission of Mexico) operational rules and identify their financing and technical assistance needs.

CONAFOR, through the grant program, has been able to address some of the main drivers of deforestation identified during the program preparation, especially forest fires. This is particularly important given the extreme drought Mexico is facing in 2024. A key piece of this work involves strengthening the existing forest fire early warning system and providing enhanced forest equipment to support the early identification of forest fires through remote sensing and high-capacity drones. Finally, the grant has also supported communities by providing them with forest fire combat equipment.

1 You can access the JERRP project information document here: <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099081023232042103/p175144060ca9203094860c0a7d40b292a>.





## Zambia

Zambia became the second country to sign an ERPA with ISFL in June 2024<sup>2</sup>. The ERPA unlocks up to \$30 million in results-based payments for emission reductions between 2024 and 2029. The payments will reward communities in Zambia's Eastern Province for their efforts in forest conservation, climate smart agriculture (CSA), and other activities such as fuel-efficient cookstoves and sustainable charcoal production.

The Zambia Integrated Forest Landscape Project (ZIFL-P)<sup>3</sup>—the grant program forming the foundation of the ISFL emission reductions program in Zambia—closed in FY24. Its contributions were impressive: It increased the crop yields of farmers who adopted CSA practices by 32 percent; supported the creation of new income-earning activities and jobs in rural communities related to forest protection; and improved the sustainable management of over 72,000 hectares of forest.

The Eastern Province BSP, prepared through proactive partnerships and engagement with local actors, ensures that participating stakeholders are rewarded for their efforts. In conjunction with the results-based payments, the emission reductions program includes additional grant funding to expand activities started under the grant program across the province. This includes \$4 million to support the expansion of community forestry management; 6 million pounds sterling from the government of the United Kingdom to support the continued expansion of CSA; and \$2 million from the Global Environment Facility (GEF) for scaling up sustainable landscape management. The additional funding will offer the province continued support in sustainable forestry, CSA, social inclusion, biodiversity conservation, and other activities contributing to further climate mitigation and adaptation.

- 2 You can read more about Zambia's ERPA here: <https://www.worldbank.org/en/news/press-release/2024/05/21/zambia-afe-and-world-bank-sign-agreement-to-cut-carbon-emissions-in-eastern-province>.
- 3 You can read more about the ZIFL-P here: <https://projects.worldbank.org/en/projects-operations/project-detail/P161490>.



## Figure 1: Goals of the BioCarbon Fund ISFL across All Participating Countries

The BioCarbon Fund ISFL has ambitious goals that aim to benefit people and the planet. By 2030, it seeks to achieve the following:

**40 MILLION**



Reduce more than 40 million tons of carbon emissions

**500,000**



Reach more than 500,000 people with benefits from its programs

**162,500**



Reforest or afforest more than 162,500 hectares (ha) of land

**19 MILLION**



Bring more than 19 million ha of land under sustainable management plans

**\$20 MILLION**



Leverage \$20 million in private sector financing

**50,000**



Train 50,000 land users in improved land management and agricultural productivity

**25,000**



Involve 25,000 people in activities that generate income







# The ISFL Vision





# 1. The ISFL Vision

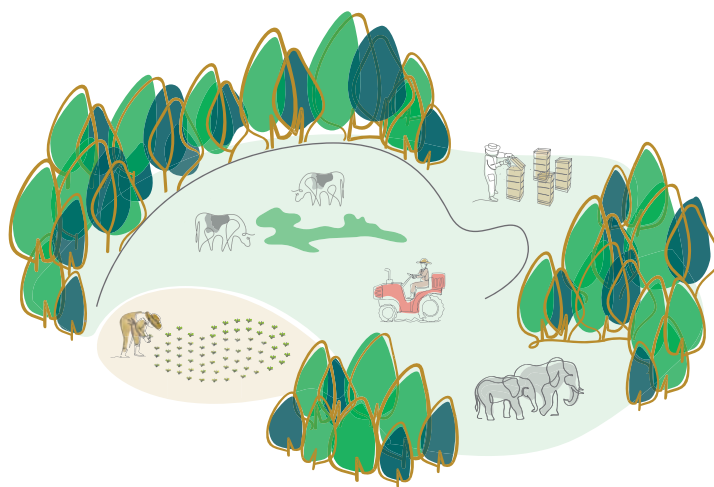
## 1.1 — Global Context

Forests are the lungs of the Earth. They safeguard our planet’s health by regulating the climate, counteracting greenhouse gas (GHG) emissions, and protecting the world’s vital biodiversity. Forests provide habitats for 80 percent of amphibian species, 75 percent of bird species, and 68 percent of mammal species. They also constitute a source for a wide range of vital goods and services such as food, fuel, and medicine—much of which support some of the world’s most vulnerable communities. It is estimated that more than half of the world’s gross domestic product depends on ecosystem services, including those provided by forests.

Despite the importance of forests for sustaining life, anthropogenic pressures are threatening these ecosystems. Between 1990 and 2020, approximately 420 million hectares of forest—an area larger than India—were lost.<sup>4</sup> More recently, the World Resources Institute reported that a total of 11.61 million hectares of tropical primary forest were lost from 2021 to 2023. Although agricultural production is the main driver of deforestation and forest fragmentation, energy extraction, infrastructure development, and urban expansion are also key contributors.

Deforestation has led to land degradation and increased emissions. Furthermore, habitat loss due to deforestation has brought humans and wildlife into closer contact, thereby increasing the transmission risks of interspecies diseases, which include the Ebola virus and the human immunodeficiency virus (HIV), as well as the risks of epidemics and pandemics.

The international community is becoming increasingly aware of how forests are intricately tied to human well-being and the functioning of healthy ecosystems and economies (see box 1.1). It has been developing new conservation tools and approaches that offer hope for resilient recovery alongside sustainable growth. Climate smart land use approaches and REDD+ techniques<sup>5</sup>—applied across agriculture, forestry, and other land uses (AFOLU) sectors—represent some of the innovative and effective ways to address the multifaceted challenges of deforestation, land degradation, and unsustainable land use.



4 For these figures and more data on the state of the world’s forests, visit FAOs State of the Worlds Forests 2024 <https://openknowledge.fao.org/items/01ea0192-f3e8-4c48-8928-6f000de4d968>.

5 REDD+ stands for “Reducing Emissions from Deforestation and forest Degradation, plus fostering the conservation and sustainable management of forests, and the enhancement of carbon stocks.”

## Box 1.1: Promoting Biodiversity in Integrated Land Use Initiatives

The 2022 Kunming-Montreal Global Biodiversity Framework asserts that biological diversity should be considered central to attaining the Sustainable Development Goals, based on the recognition that there are vital interlinkages among nature, climate, and development.

From the outset, ISFL's approach has helped all five of its country programs develop emission reductions programs that directly reference national biodiversity strategies and action plans as well as incorporate biodiversity-friendly management strategies.

Strong examples of these efforts include the following:

- In Colombia's biodiversity-rich Orinoquía region, ISFL is planning on piloting biodiversity indicators in agricultural value chains in the country's emission reductions program. This pilot will be part of ISFL's larger exploration of the climate-nature nexus: It seeks to understand how emission reductions programs might better promote biodiversity conservation across all its program countries.
- Indonesia has committed to transforming its forest and other land use sectors into a net carbon sink by 2030 through activities that include forest and land rehabilitation, the management of peatlands, and biodiversity conservation.
- Zambia's ISFL program is addressing human-wildlife conflict through broad local stakeholder consultations and providing local rangers with patrol rations and field equipment to prevent poaching and illegal wildlife trafficking. It has also facilitated the creation of resource boards to enable the meaningful participation of local communities in wildlife conservation efforts.

A growing transnational network of governments, businesses, civil society organizations, and local communities is working to advance forest conservation and sustainable development. In the business sphere, calls for greater corporate social responsibility are spurring the formation of global carbon markets, with more and more major corporations making actionable commitments to combat climate change.

To date, more than 10,000 companies, 650 financial institutions, 52 states and regions, 1,100 cities, 1,100 educational institutions, 80 healthcare institutions, and 78 other organizations have joined the United Nations

Framework Convention on Climate Change (UNFCCC) Race to Zero global campaign and committed to halving global emissions by 2030.<sup>6</sup> Achieving these ambitious sustainability targets could meaningfully contribute to the objectives of the Paris Agreement.<sup>7</sup>

To approach net zero, many institutions often use a combination of approaches to reduce the emissions generated by their activities while offsetting their emissions through the purchase of emission reduction credits (ERCs). The transition to net-zero emissions by 2050 will require an unprecedented mobilization of \$3–\$6 trillion in

6 The membership list, as of September 2022, can be found here: <https://climatechampions.unfccc.int/system/race-to-zero/>.

7 You can read more about the World Bank Group's alignment with the Paris Agreement here: <https://www.worldbank.org/en/news/feature/2023/07/10/what-you-need-to-know-about-world-bank-group-alignment-with-the-paris-agreement>.



climate finance from both the public and private sectors annually.<sup>8</sup>

ISFL plays an important role in supporting the global effort to reach net zero. By leading the charge on piloting net AFOLU accounting, we enable our partner countries to develop holistic programs directly tackling the underlying land

uses generating emissions. Our programs thus aim to generate a virtuous cycle of emission reductions from key land uses that result in payments of climate finance, which can then be used to support additional action that delivers additional emission reductions.

## 1.2 — The ISFL Approach

ISFL seeks to enable transformational change across landscapes: Its aim is to increase agricultural yields and alleviate poverty while protecting and restoring forests as well as boosting biodiversity. To do so, ISFL approaches landscapes holistically in its work to enable communities, cooperatives, businesses, and others to adopt more sustainable practices that fundamentally change the way they interact with the landscape.

Building on over a decade of the international development community's experience in conservation and integrated land use planning, ISFL is advancing a portfolio of programs that promote and integrate sustainable agriculture and forestry through REDD+ approaches, climate smart agriculture (CSA), and smarter land use planning, policies, and practices. The aim of the fund is to catalyze the development of a low-carbon, rural economy in each of its program areas to generate livelihood opportunities for communities while enabling an overall reduction in land-based emissions (see figure 2).

ISFL programs work toward multiple objectives at the same time. They seek to boost agricultural productivity to enhance local livelihoods while protecting primary forests and restoring degraded lands to preserve essential ecosystems. They serve as in-country, strategic engagement platforms that mobilize, coordinate, and scale funding from different sources.

Their synchronization of multisectoral and multi-partner land use interventions helps maximize the positive results of independent initiatives and broaden access to additional public and private sector funding.

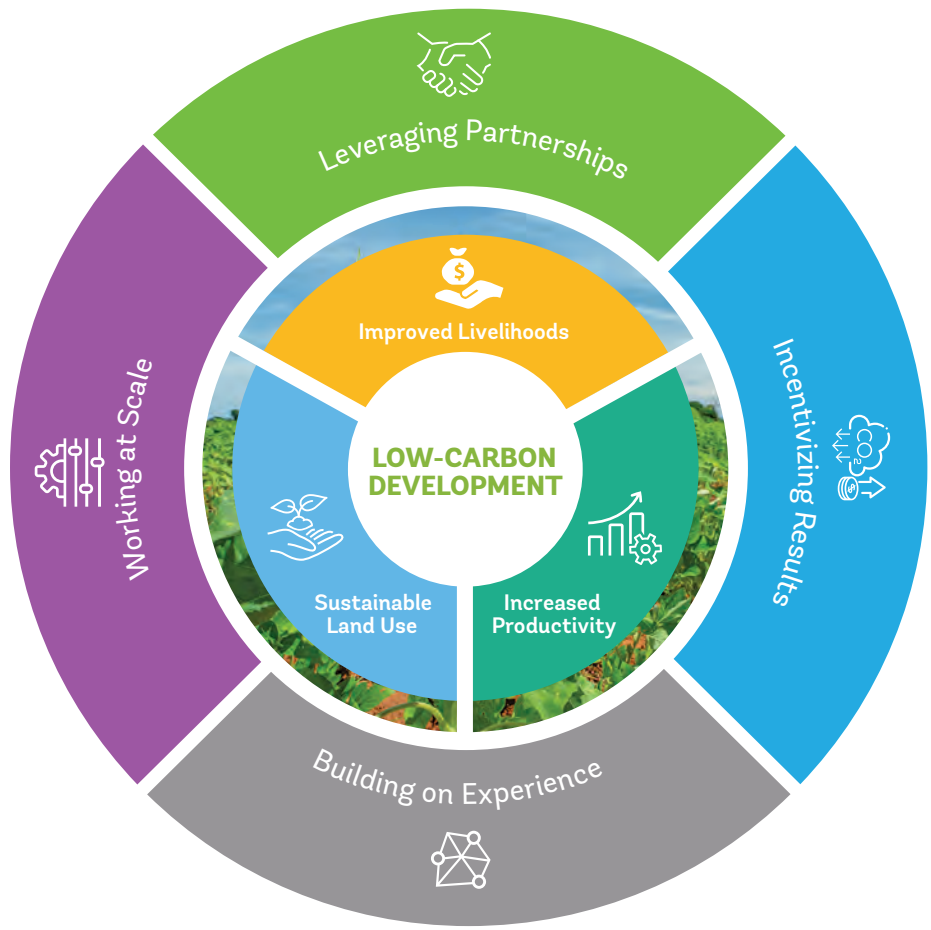
ISFL also contributes to work targeted at streamlining the global carbon market. It aims to build centralized, accountable mechanisms, such as the Carbon Assets Tracking System (CATS) (see box 3.2), that public sector actors can use to manage their high-quality carbon credits. Through the development of common accounting and verification standards and the provision of up-front financing, ISFL can incentivize GHG mitigation activities and promote the growth of international carbon markets.

To realize ISFL's overall objective of reducing GHG emissions while addressing poverty and protecting the environment, the initiative emphasizes four key design elements (see figures 3 and 4):

1. Working at scale to integrate multisectoral considerations across jurisdictions
2. Leveraging partnerships across the public and private sectors
3. Incentivizing results through payments for verified emission reductions
4. Building on the experiences of ISFL's previous work, REDD+ initiatives, and other relevant agriculture and forestry program

8 For more information, see I. Anderson, "Investment and Trade to Meet the Paris Climate Goals" (speech presented at the UNCTAD Multi-year Expert Meeting of Investment, Innovation and Entrepreneurship for Productive Capacity-Building and Sustainable Development, October 12, 2022), <https://www.unep.org/news-and-stories/speech/investment-and-trade-meet-paris-climate-goals>.

Figure 2: The ISFL Approach



## Figure 3: Key Design Elements



### Working at Scale

Each ISFL program focuses on a whole jurisdiction (for example, state, province, or region) within a country so that it can deal with multiple sectors affecting land use and rapidly increase its impact on a relatively large area. ISFL uses a landscape approach: it requires stakeholders to consider the tradeoffs and synergies among the different sectors that may be competing for land use, such as forests, agriculture, energy, mining, and infrastructure. This allows solutions that serve multiple objectives to be identified. The goal of the landscape approach is to implement a development strategy that achieves environmental, social, and economic impacts at scale. To reach this goal, ISFL interventions seek to improve the enabling environment for sustainable land use through strategies, such as participatory forest management or land-use planning, that can transform how land is used and greatly benefit the communities residing within a jurisdiction.



### Leveraging Partnerships

To reduce GHG emissions from land use across a jurisdiction while creating livelihood opportunities, ISFL forms partnerships with public- and private-sector actors — such as government agencies, municipal governments, and locally recognized and well-established businesses. These partnerships are essential to aligning goals and mobilizing capital for creating sustainable and scalable models that improve land use in the long run.



### Incentivizing Results

By convening public and private actors to embark on collaborative endeavors and creating an enabling environment for sustainable development, countries can expect to generate positive results. To encourage countries to reduce GHG emissions, ISFL will provide significant results-based climate finance by purchasing verified emission reductions.



### Building on Experience

ISFL can accelerate the maturation process for relatively small-scale pilot projects so they can quickly start incentivizing sustainable land use at scale. To work effectively, ISFL builds on the experiences and lessons learned from its initial land-use pilot projects, REDD + initiatives, and other forest and land-use programs. This streamlined approach allows ISFL to concentrate its efforts at the jurisdictional level, which can add value to existing platforms while avoiding redundancies.

### 1.3 — Funding Instruments

ISFL has two key funding instruments—BioCarbon Fund Plus (BioCFplus) and BioCarbon Fund Tranche 3 (BioCF T3)—with each designed specifically to realize its vision (see figure 4).

BioCFplus supports grant-based technical assistance and capacity building efforts in each jurisdiction. It provides investment funding essential in creating an enabling environment for sustainable land use and developing systems for monitoring, reporting, and verifying GHG emission reductions. In addition, BioCFplus directly finances advisory service projects aimed at attracting private sector interest in ISFL jurisdictions, which benefit farmers and other actors (see appendix B for details on donor contributions and cumulative expenses).

BioCF T3 provides results-based payments for verified emission reductions through an Emission Reductions Purchase Agreement (ERPA).

Together, the BioCFplus support and the results-based financing of BioCF T3 allow the ISFL programs to use context-specific tools and approaches to reduce emissions from land use sectors (see figure 4).

These funding tools enable ISFL to contribute to its broader global goals within its program countries and beyond, including the Paris Agreement goals and the United Nations Sustainable Development Goals regarding improved livelihoods, increased agricultural productivity, and sustainable land use.

Figure 4: BioCFplus and T3

#### BioCFplus

**\$141.2 million**  
pledged



Delivers grants to support countries in shaping an enabling environment for sustainable land use.



Enables pilot activities and key partnerships, including engagements with the private sector.



Provides countries with resources to develop systems for monitoring, reporting, and verifying reductions in GHG emissions.

#### BioCF T3

**\$221.8 million**  
pledged



Delivers results-based finance through the purchase of verified emission reductions.

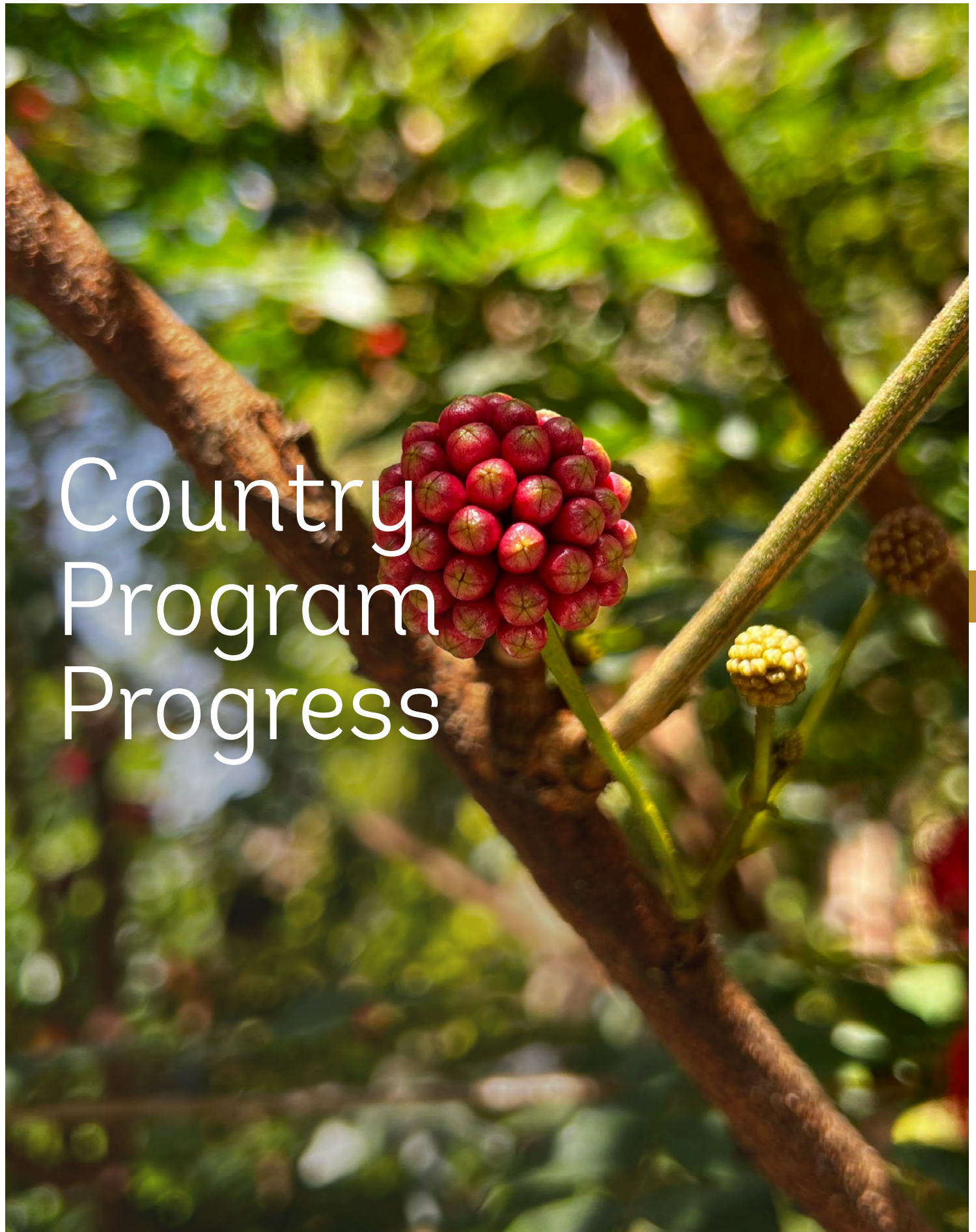


Incentivizes countries to shift toward sustainable development trajectories within their jurisdictions.



Develops interventions that ensure sustainable land use in the long term.









# Colombia

## 2.1 — Colombia

### Key Achievements

- Colombia finalized its Emission Reductions Program Document (ERPD). The program's steering committee has agreed to begin negotiations related to the commercial terms of the Emission Reductions Purchase Agreement (ERPA).
- Private sector engagement work made great strides. Critical work pieces related to the development of improved sustainable business approaches for key value chains—including rice, cacao, non-timber forest products (NTFPs), palm oil, livestock, coffee, and cashew, along with commercial forestry and agroforestry—were successfully delivered during the year. These outputs will continue to be promoted for adoption during the ERPA phase of the program.
- Several grant-funded activities were delivered successfully. Among them were activities that reduced deforestation, promoted carbon-neutral agricultural practices, and established and strengthened agroclimatic roundtables.

### Overview

The Orinoquía region—consisting of four departments (Arauca, Casanare, Meta, and Vichada) and home to almost 1.5 million people, as well as biodiversity-rich savannas and wetlands—is threatened by agricultural expansion. Though developing the region's potential is vital to the livelihoods of local farmers and the country's growth and development, deforestation and ecosystem degradation in the region have obstructed the efforts both to grow the economy and to protect the environment. The destruction of forested areas and the conversion of native savannas and wetlands not only exacerbate climate change but also narrow the habitable area for the region's biodiversity.

To help address these persistent challenges, the ISFL Sustainable Low-Carbon Development in the Orinoquía Region Project aims to help farmers and agribusinesses in the region manage their land sustainably while increasing their agricultural production. Specifically, the project provides technical assistance to improve land use and sectoral planning instruments, as well

as strengthen local stakeholders' capacities, to catalyze sustainable development.

To achieve this aim, ISFL has provided a \$20 million grant, which is channeled through both the World Bank's Environment, Natural Resources, and Blue Economy Global Practice and its Agriculture and Food Global Practice. The grant is implemented by the Ministry of Agriculture and Rural Development (MinAgricultura) in alliance with the Ministry of Environment and Sustainable Development (MinAmbiente); the Institute of Hydrology, Meteorology, and Environmental Studies (IDEAM); and the National Planning Department (DNP). ISFL has also provided approximately \$16 million in grant funding to support private sector engagement; this is delivered in partnership with the World Bank Group's International Finance Corporation (IFC) and the Agriculture and Food Global Practice. Both the ISFL grant and the private sector engagement activities are fully aligned to help contribute to low-carbon development in the Orinoquía.



The project has four components, involving the following activities:

1. Supporting the capacity building of key stakeholders in implementing integrated land use planning and the governance for deforestation control
2. Supporting sustainable land use management (for example, promoting environmentally sensitive land use planning approaches and low-carbon productive practices, as well as integrating sustainable land use policies) by generating information, skills, and incentives to reduce greenhouse (GHG) emissions from land use change across the targeted value chains in the agriculture, forestry, and other land uses (AFOLU) sectors
3. Providing technical assistance for preparing an emission reductions program and a Benefit-Sharing Plan (BSP) to enable Colombia to access results-based payments for a portion of the total verified emission reductions generated and developing Colombia's capacity in the robust reporting, accounting, and verification of AFOLU emissions and removals
4. Financing project coordination, management, and monitoring and evaluation activities

## Progress in FY24

Throughout FY24, the program continued to engage with several local and national partners to increase the region's overall resilience to climate change by helping to strengthen land tenure, mainstream low-carbon and climate change criteria into development plans, and bolster sustainable activities. It built on previous years' efforts to strengthen the competitiveness of critical agricultural value chains, develop sustainable agricultural extension plans, and support the efforts of the public and private sectors to mainstream low-carbon development.

The project made major strides with the implementation of the grant program and the preparation of the emission reductions program.

Under Component 1 of the grant (capacity building for implementing integrated land use planning), the project finalized the contracting of

all remaining activities related to deforestation control and land regulation. This means that instruments such as the Arauquita Multipurpose Cadaster, the Regional Plan for Deforestation Control, the COVIMA app for timber mobilization control and commercialization, and the department's payment for environmental service (PES) programs are available for incorporation into government-led operations and adoption by communities and enterprises.

To help achieve its goals under Component 2 (support for sustainable land use management), the project delivered five low-carbon production models (guides and training modules) to the program's selected value chains:

- Sustainable practices in the palm oil value chain (National Federation of Palm Oil Producers [FEDEPALMA])
- Sustainable and low-carbon agroforestry for cacao (Colombian Agricultural Research Corporation-National Federation of Cacao Producers [AGROSAVIA-Fedecacao])
- Sustainable cashew production (AGROSAVIA-Wildlife Conservation Society [WCS])
- Low-carbon production in the rice value chain (AGROSAVIA)
- Low-carbon livestock systems (Colombian Federation of Livestock Breeders [FEDEGAN], Foundation Center for Research in Sustainable Agricultural Production Systems [CIPAV], The Nature Conservancy [TNC], and International Center for Tropical Agriculture [CIAT])

These organizations represent critical land users across the region. The project's focus under this component is to work with these land users to identify more sustainable operational models and facilitate the adoption of these models as widely as possible across the jurisdiction.

Under Component 3 (technical assistance for preparing an emission reductions program), the project delivered a second ERPA workshop to new stakeholders and counterparts from across the government of Colombia.



With the completion of all the planned activities, which aim to enable agricultural and forestry producers and enterprises to adopt more sustainable practices, the project's impact can be observed at multiple levels. In communities, the project has established training programs in forest planning and monitoring and the sustainable use of forests for local authorities and community members. Furthermore, it has developed community forestry projects for deforestation hotspots.

At the sectoral and institutional levels, the project has strengthened four departmental Forest Management Roundtables and built institutional capacities to more effectively implement the Intersectoral Pact for Legal Timber. This pact provides a legal framework under which timber producers in Colombia operate; its intent is to stop illegal logging across the country.

The project also supported the delivery of Science, Technology, and Innovation Roundtables that focused on strengthening the national system for agricultural innovation. This has resulted in updates to four departmental action plans for science, technology, and innovation.

Creating an institutional and legal framework that enables and encourages a low-carbon development model is central to the project's goals. To help create this framework, the program has helped mainstream low-carbon and climate change criteria into seven municipal and four departmental development plans. It is also implementing a series of interventions and providing technical assistance to strengthen the Regional Climate Change Node (NORECCO) and its Technical Secretariat.

Finally, the design and implementation of a regional spatial data infrastructure were made possible by the project. It has started to compile all available geographical data and information for decision making, including information on crop monitoring (palm oil and rice) in one place (the Rural Agricultural Planning Unit [UPRA] server). This data infrastructure will constitute a key Measurement, reporting, and verification (MRV) tool for the national MRV system that will be put in place for the region and the Orinoquía emission reductions program.

## Emission Reductions Program Preparation

A critical part of the ISFL project is the partnership with the government of Colombia to develop plans for an emission reductions program. At this juncture, the program's ERPD has been finished and cleared by a third-party auditor, followed by the ISFL contributors. With a finalized and validated ERPD, the next key step is to continue making further progress on upstream agreements on pricing modalities and the regulatory amendments led by the government of Colombia. Doing so provides the necessary enabling conditions for ERPA negotiations and the signing phase. In parallel, a transparent, equitable, and inclusive BSP has been developed in consultation with communities. This future emission reductions program forms a key part of Colombia's ambitious goals for low-carbon development. Colombia's Intersectoral Climate Change Committee has accelerated the country's Nationally Determined Contribution (NDC) implementation and compliance, listing the ISFL emission reductions program among the 30 national initiatives to be prioritized. Furthermore, MinAmbiente has also invited ISFL to participate in an expert accounting group it has convened to assess the evolution of the REDD+ mechanism at the international level. Finally, ISFL, with its grant, is also providing MinAmbiente with technical assistance to help advance the carbon market regulatory framework through a framework decree. The decree will clarify the legal basis of emission reductions programs within the national territory.

## Private Sector Engagement

A fundamental part of the ISFL approach is to engage the private sector in the project by creating an enabling environment for firms to commit to low emission reductions and sustainable development. This strategy recognizes the significance of the private sector as one of the main drivers of emission reductions in the AFOLU sector. In Colombia, ISFL is implementing its private sector engagement strategy in two stages.

To achieve this vision, ISFL is helping lead the Orinoquía's transition to low-carbon development via the implementation and scale-up of 41 agricultural, livestock, and forestry GHG-mitigation measures. The program is collaborating with private sector firms by implementing pilot activities with the aim of gathering evidence to determine whether the sustainable practices identified would work under the prevailing agroclimatic conditions in the region. The proof of concept of these measures will lay the groundwork for replication at scale through the World Bank's private sector scale-up strategy. So far, this strategy has included the establishment and operation of four multi-actor collaboration platforms, the development of three public-private partnerships, and three emission reductions pilot operations.

In the first phase, the ISFL grant program was used to attract private sector participants to the Orinoquía region to implement, pilot, invest in, and identify opportunities for developing sustainable, climate smart, and low-carbon value chains. The establishment of multi-stakeholder, private sector-led roundtables at the departmental level in Meta, Vichada, Arauca, and Casanare, as well as the public-private partnerships and zero-deforestation agreements, has helped develop an enabling environment for small and medium private sector actors in the region.

The second phase fosters the implementation of mitigation measures to produce verifiable emission reductions and the reinvestment of the benefits achieved in sustainable programs to ensure long-term sustainability. The program will pilot the measurement and monitoring of biodiversity across agricultural supply chains.

Ultimately, it is expected that the active engagement of the private sector will help achieve not only Colombia's emission reductions targets but also ensure sustainable development by opening the jurisdiction of Colombia's "last agricultural frontier" to private sector development. Detailed information regarding private sector work in Colombia can be found in section 3.4.



## Box 2.1: Meta – A Model for Colombia’s Livestock Transformation

Located in Colombia’s Orinoquía region, the Department of Meta comprises 7.5 percent of the national territory. The jurisdiction has been losing forest rapidly by all counts. One of the region’s main causes of deforestation, according to Meta’s government, is prairie development for agriculture. A key challenge has been how to reconcile sustainability with environmentally friendly livestock practices. In 2023, Meta had around 2.3 million head of cattle, accounting for 8.5 percent of the national total, thus making it the third-largest department by bovine population. Livestock activities contribute to 18 percent of the country’s total estimated greenhouse gas emissions.

Meta’s farmers are moving toward reducing their environmental impact, preserving forests, and creating jobs simultaneously through expanding sustainable cattle farming. What started as a small movement with individual model farms has now been codified into a regional legal structure, with Meta passing a Sustainable Beef Ordinance.

The ordinance establishes guidelines for developing sustainable cattle and dairy value chains, aiming to address degraded pastures, illegal deforestation, low productivity, and other major challenges the department faces. It also considers emissions from primary livestock production processes as well as the milk collection, conservation, marketing, and waste management of livestock auctions and processing plants.

The significance of the ordinance is twofold. First, it provides a legal framework to translate Colombia’s national priorities for carbon reduction into tangible on-the-ground action. Second, it integrates national and regional policies, rural planning tools, and validated practices. This comprehensive approach thereby provides a roadmap for the sustainable development of the bovine meat and dairy chains in Meta until 2050.

Just as significantly, the ordinance was crafted with inputs from multiple stakeholders, then formulated through a collaboration involving the government of Meta and the active participation of the National Sustainable Livestock Roundtable, Meta’s Sustainable Livestock Roundtable, AGROSAVIA, Unidad de Planeación Rural Agropecuaria (UPRA), the Ministry of Agriculture and Rural Development, Cormacarena, CONSEA, and other key actors.

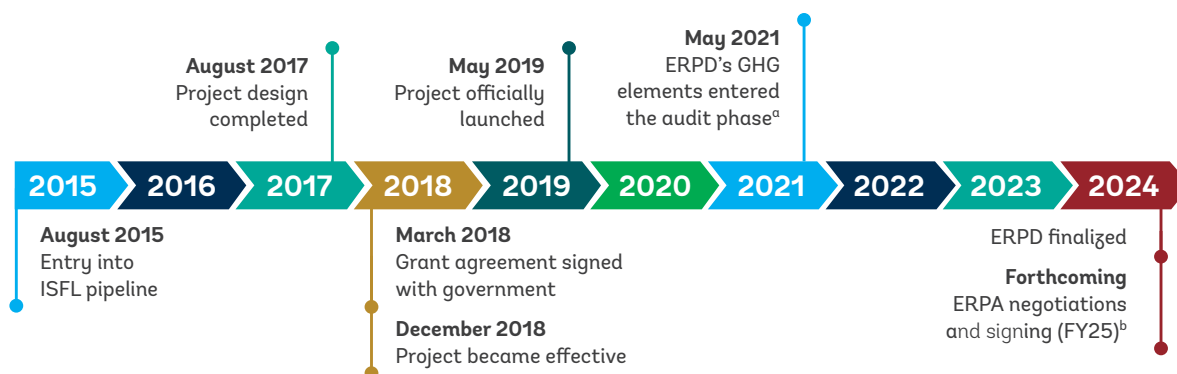
The ordinance was also supported by IFC and the Orinoquía BioCarbon project, with funding provided by ISFL and the government of Japan.

Considered to be unique in Latin America, Meta’s Sustainable Beef Ordinance is a pioneering initiative. Hopefully, it can serve as a model for replication in other departments in Colombia and even other countries.

<sup>a</sup> More information on the Orinoquía Sustainable Integrated Landscape Program can be found here: <https://www.biocarbonfund-isfl.org/programs/orinoquia-sustainable-integrated-landscape-program>.



## Program Timeline



<sup>a</sup> An independent, third-party firm undertakes an audit of the ERPD to verify compliance with the ISFL Emission Reductions Program Requirements. This process helps ensure that the program's design, data, and accounting methods used are robust, thus providing confidence in the resulting carbon credits and the overall environmental integrity of the program.

<sup>b</sup> After the external firm has completed the audit of the ERPD and the ERPD is revised, ISFL contributors formally agree to move forward with the ERPA negotiations. The World Bank (as trustee of ISFL, negotiating the ERPA on behalf of the ISFL contributors) engages in negotiations with the program country. The ERPA is signed at the end of the negotiations.

## Program Profile

<b>Jurisdiction</b>	Orinoquía region
<b>Size of jurisdiction</b>	25 million ha
<b>Population in jurisdiction</b>	1.37 million
<b>Accounting area</b>	25 million ha
<b>Implementing agency</b>	Ministry of Agriculture and Rural Development (MinAgricultura)
<b>ISFL funding</b>	<ul style="list-style-type: none"> <li>— \$20 million in grant financing for implementation by the government of Colombia</li> <li>— \$8.8 million from IFC's projects to support firm-level engagement</li> <li>— \$7.3 million for analytical work to support private sector engagement</li> <li>— Potential payments for up to 10 million tons of verified emission reductions</li> </ul>
<b>Co-financing</b>	\$5.93 million Global Environment Facility financing (under implementation)

## High-Level Context



### Drivers of land use change

- Agricultural cultivation has been the main driver of deforestation and ecosystem degradation in the Orinoquía region for the past three decades.
- Much of the Orinoquía region constitutes undeveloped “frontier” territory due, in part, to land tenure insecurity and the persistent lack of adequate infrastructure.
- The main causes of land use change are encroachment from grazing cattle; a lack of land use planning and incentives for sustainable practices; and illicit activities such as clearing forests to plant coca.



### Key commodities and sectors

- Agroforestry and commercial forestry systems, cattle, cashew, cacao, dairy production, and palm oil.



### Policy interactions and green growth strategies

- The government of Colombia has developed a long-term policy on green growth to reach sustainable development (see the National Council on Economic and Social Policy 3934 of 2018).
- Under this framework, the National Planning Department conducted the Green Growth Mission between 2014 and 2018, which prepared and discussed technical inputs to inform its green growth policy. Diagnostic and prospective studies were carried out to identify policy options that incorporate a green growth approach into the country’s development planning and to promote economic competitiveness, conservation, climate friendly growth, and greater social inclusion.
- The recently launched national policy on deforestation control and forest management (the National Council on Economic and Social Policy 4021 in 2020) set the guidelines for the implementation of cross-sectoral activities to boost the forest economy and the sustainable use of the country’s natural capital and bring the deforestation rate to zero by 2030. The project supports its implementation at the regional level.
- The project has also contributed to the updating and implementation of the Regional Climate Change Plan (PRICCO) for the Orinoquía region in Arauca, Casanare, Meta, and Vichada.



### NDC commitments

- The government of Colombia has committed to reducing GHG emissions by 51 percent against the business-as-usual level by 2030.
- To fulfill its NDC commitments, the government has formulated a climate change policy and set an institutional framework to address adaptation and mitigation through the National Climate Change System (SISCLIMA).

## Key Program Results to Date

<b>Number of people in private sector schemes adopting sustainable practices</b>	<b>365</b>
<b>Number of stakeholders consulted</b>	<b>1,324 (44% women)</b>
<b>Number of partnerships established with the private sector</b>	<b>46</b>
<b>Number of partnerships established with not-for-profit organizations</b>	<b>68</b>
<b>Number of coordination platforms supported</b>	<b>41</b>
<b>Environmental and Social Management Framework (ESMF) completed</b>	<b>Yes</b>
<b>Feedback and Grievance Redress Mechanism (FGRM) completed</b>	<b>Yes</b>
<b>ERPD submitted to ISFL for a third-party assessment</b>	<b>Yes</b>









# Ethiopia

## 2.2 — Ethiopia

### Key Achievements

- Following the signing of an ERPA with ISFL in 2023, Ethiopia prepared for the second ERPA phase by securing additional land use data on degradation and livestock emissions. The data are critical for developing the second-phase ERPD, which will be submitted and validated by the end of 2024.
- The country prepared its first Emission Reductions Monitoring Report (ERMR) containing its emissions data for the first phase of the ERPA. Once the data are verified, the emission reductions can be issued and monetized as part of the first ERPA phase.
- Work continued on two private sector activities, piloting new approaches—including coffee stumping (see box 2.2) and dairy sector hubs—to determine how sustainable practices in key agricultural sectors may be adopted at scale across Oromia and beyond. All these activities aim to reduce emissions while raising farmer productivity and incomes.

### Overview

The Ethiopian state of Oromia is a critical landscape, home to about 52 percent of the country's forests and more than 30 million people. The land and natural resources have come under increasing pressure as deforestation and forest degradation have accelerated in the region. Wood extraction for firewood and charcoal represents the largest source of forest degradation, while slash-and-burn agriculture is the main cause of deforestation.

In response to these challenges, the Oromia Forested Landscape Program (OFLP)—the grant program at the core of the Ethiopia Emission Reductions Program—aimed to reduce deforestation and lower net GHG emissions due to land use by improving forest and livestock management throughout the region.

The ISFL program in Ethiopia has three key goals involving the following activities:

1. Enabling investments that include support for sub-basin land use planning, investment, and extension services, as well as for participatory forest management and afforestation/reforestation activities in deforestation hotspots
2. Enhancing the enabling environment by financing complementary activities to increase the effectiveness and positive impact of institutions, policies, marketing, benefit sharing, strategic communication, MRV, and safeguards management at the state and local levels
3. Delivering emission reductions payments once the results have been achieved, verified by a third party, and formally reported to the World Bank

The program was supported by a five-year, \$18 million grant which has now closed, and is now being followed by results-based payments for verified emission reductions of up to \$40 million over the next eight years (2022–2029). These emission reductions will come from both the forestry and livestock sectors in Oromia.<sup>9</sup>

<sup>9</sup> Emission reductions from forest degradation and livestock management activities will be included in the second ERPA phase, which will begin in 2025.



## Progress in FY24

The program continued to monitor and report to demonstrate that the emission reductions made in the first phase of the ERPA can be verified and purchased. The team focused on preparing its first ERMR covering 2022–2023, which will allow the country to receive payments for verified emission reductions produced under the first ERPA phase.

In parallel, the program worked on documentation to develop and subsequently negotiate and agree to a second-phase ERPA. This work included updating the ERPD with new baselines added for emissions coming from enteric fermentation (livestock) and forest degradation subcategories.

The Benefit-Sharing Plan for the first ERPA phase and an operational manual to guide its implementation were approved. ERPA funds will be channeled through the plan, which allocates 75 percent of the net benefits to local communities, with an additional 5 percent going to private actors. Community beneficiaries have the right to use 45 percent of their proceeds for social and income-generating projects, while 50 percent will be directed toward activities dedicated to generating additional emission reductions (forest development, maintenance and scaling up of the Participatory Forest Management system, and so on). The remaining 5 percent of community beneficiary funds will go toward dedicated support for the underserved and vulnerable segment of local people. Initial indications estimate that approximately 400,000 local people will benefit from the program, including 2,000 organized cooperatives having an estimated total membership of 25,000 people. Preparation of the second phase comprehensive BSP also advanced.

This includes emission reductions from forest degradation and livestock management activities.

The program also continued to work on preparations for the second ERPA phase, which includes emission reductions from forest degradation and livestock management activities to enable the program to negotiate and enter agreements with the government. The team will also work with the government to get clarification for the emission reductions ownership right and transfer of title for emission reductions generated from the livestock sector.

The first disbursement under the ERPA is expected in 2025. The highly anticipated initial disbursement will act as an incentive for communities to continue engaging in protecting and sustainably managing forest resources, in addition to improving livelihoods through social development investments.

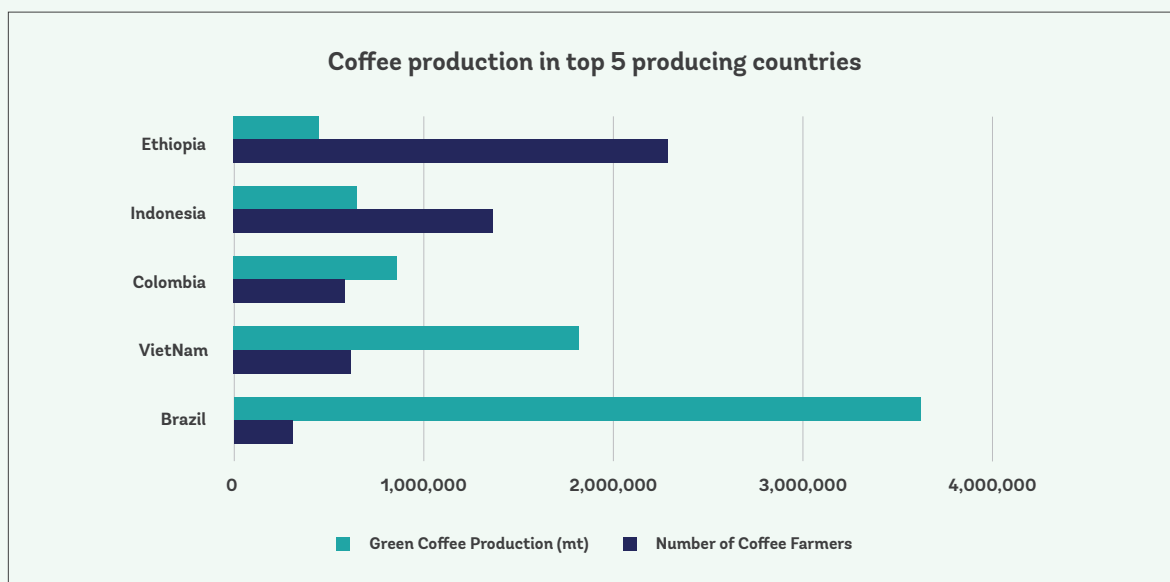
The program is also working hard to pilot and test two models for expanding sustainable agriculture in Oromia, these include an approach to facilitating the financing and adoption of coffee stumping techniques by smallholder coffee farmers, and piloting an approach to facilitate the successful implementation of an integrated dairy hub. Both interventions have potential to reduce emissions intensity and aim to show how these approaches can be adopted in a practical manner. Once these programs are completed the lessons will be shared widely to encourage replication and take-up at scale. More details are provided in section 3.4 and box 2.2.

## Box 2.2: Sustainably Expanding Coffee Production in Ethiopia

Out of the top five coffee-producing countries globally, Ethiopia has the highest number of coffee farmers, yet its total production is the lowest (see figure 5). While the country has excellent conditions for growing coffee beans, many trees have become unproductive. The agricultural practice of stumping, which entails pruning older and less productive trees down to a stump, offers a solution. Stumping allows the tree to regrow healthier and stronger, which can lead to an increase of 200–300 percent in the annual yield.

The significant yield increases offered by stumping could directly result in significant growth in farmer incomes. Yet many farmers are reluctant to engage in stumping because it involves a waiting period of 2–3 years during which the tree produces no coffee, leading to short-term economic losses. To help solve this problem, ISFL is supporting TechnoServe in conducting a study to assess the use of incentives to encourage farmers to engage in stumping. This study will consider the role the private sector may play (and how they may be motivated to get involved). It will also look at the relationship between scaling the stumping rejuvenation program and the effects on deforestation and emissions.

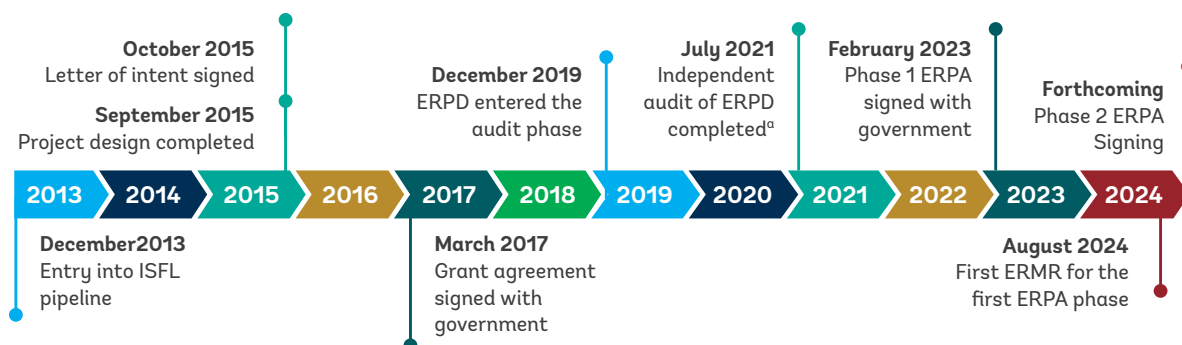
Figure 5: Coffee Production in Top 5 Producing Countries



Sources: “Coffee,” Foreign Agricultural Service, U.S. Department of Agriculture, May 2021, <https://www.fas.usda.gov/commodities/coffee>; Enveritas, “A Comprehensive Estimate of Global Coffee Farmer Populations by Origin” (paper presented at the 27th Conference of the Association for Science and Information on Coffee (ASIC), Portland, September 16–22, 2018).

The ISFL-supported study is gathering and analyzing data from ongoing coffee programs and considering the means for expanding stumping take-up and attracting private sector investment. The study is also examining the environmental impact of coffee tree rejuvenation on emissions and doing a gender analysis to look at incentives for female farmers. The complete study is expected to be available by the end of 2025 and will be disseminated widely to encourage adoption of the findings.

## Program Timeline



<sup>a</sup> The ERPD for the first ERPA phase is available at [https://www.biocarbonfund-isfl.org/system/files/2023-08/OFLP-%20Final%20ERPD%20-%20Phase%201-%2027%20May%202021\\_0.pdf](https://www.biocarbonfund-isfl.org/system/files/2023-08/OFLP-%20Final%20ERPD%20-%20Phase%201-%2027%20May%202021_0.pdf); the audit report is available at [https://www.biocarbonfund-isfl.org/system/files/2023-08/ISFL\\_OFLP\\_RPT\\_AssessmentReport\\_V1-4\\_7\\_22\\_21%20%281%29.pdf](https://www.biocarbonfund-isfl.org/system/files/2023-08/ISFL_OFLP_RPT_AssessmentReport_V1-4_7_22_21%20%281%29.pdf).

## Program Profile

<b>Jurisdiction</b>	Oromia region
<b>Size of jurisdiction</b>	32 million ha
<b>Population in jurisdiction</b>	More than 30 million
<b>Accounting area</b>	Entire forested landscape in Oromia, including livestock and agricultural areas
<b>Implementing agency</b>	Oromia Environmental Protection Authority
<b>ISFL funding</b>	<ul style="list-style-type: none"> <li>— \$18 million in grant financing</li> <li>— \$750,000 in grant financing to cover the operational costs of the implementation agency between the end of the initial OFLP grant and the first ERPA payment</li> <li>— Up to \$15 million in results-based payments for verified emission reductions for Phase 1 ERPA, with the potential for sales of emission reductions in excess of those contracted</li> <li>— Emission reductions for Phase 2 ERPA to be negotiated</li> </ul>
<b>Co-financing</b>	<ul style="list-style-type: none"> <li>— \$3 million grant from IFC for investment services in the coffee sector and an additional \$2 million Swiss grant for private sector-led coffee tree rejuvenation and climate smart dairy, with possible additional matching funds of the same amount from private sector actors</li> <li>— \$1.2 million grant from AccelREDD to help build capacity for livestock MRV</li> </ul>



## High-Level Context



### Drivers of deforestation, land degradation, and GHG emissions

- Small-scale land conversion for agricultural expansion
- Inefficient livestock production resulting from limited access to livestock feed and fodder
- Extraction of fuelwood for charcoal: Firewood is the primary source of energy for 94 percent of Ethiopia's population and the most important forest product consumed in the country. Most is produced from natural forests, including woodlands and shrublands. Current demand is estimated to significantly exceed the sustainable yield potential of the remaining forest area.
- Indirect drivers including the inadequate development and implementation of land use plans; weak cross-sectoral policy and investment coordination; population growth in and migration to forested areas; and road expansion



### Key commodities and sectors

- Coffee, spices, and honey
- Livestock and dairy
- Subsistence agriculture—main economic activity in Oromia, specifically wheat, beans, potatoes, and cabbage (in the highlands) and bananas, maize, and teff grains (in the lowlands)



### Policy interactions and green growth strategies

Ethiopia's development agenda is governed by two key strategies: (1) the Second Growth and Transformation Plan (GTP-2), which recently evolved into the 10-Year Development Plan; and (2) the Climate-Resilient Green Economy (CRGE) strategy. Both strategies prioritize the country's attainment of middle-income status by 2025.

The CRGE strategy reports that agriculture and forestry “contribute around 45% and 25%, respectively, to projected GHG emission levels by 2030 under business-as-usual assumptions, and together account for around 85% of the total abatement potential.”



### NDC commitments

The country is committing to reducing economy-wide GHG emissions by 14% in 2030 from the recently revised business-as-usual scenario, using its domestic resources.

This would represent a 56.7 MtCO<sub>2</sub>e reduction, limiting GHG emissions at 347.3 MtCO<sub>2</sub>e in 2030 (compared with the revised business-as-usual scenario emissions level of 404 MtCO<sub>2</sub>e).

## Key Program Results to Date

Area reforested	<b>9,673 ha</b>
Number of people in private sector schemes adopting sustainable practices	<b>92,576 (34% women)</b>
Forest area brought under management plans	<b>210,952 ha</b>
Number of partnerships established with not-for-profit organizations	<b>8</b> <ul style="list-style-type: none"> <li>— Farm Africa</li> <li>— SOS Sahel</li> <li>— Ethio Wetlands and Natural Resources Association</li> <li>— World Vision Ethiopia</li> <li>— Action for Development</li> <li>— Mekane Ejesus Church</li> <li>— Ethiopian Catholic Church</li> <li>— Japan International Cooperation Agency</li> </ul>
Number of coordination platforms supported	<b>11</b> <ul style="list-style-type: none"> <li>— 2 regional steering committees</li> <li>— 4 REDD+ technical working groups</li> <li>— 3 cluster-level coordination platforms (South-East, Central, and West Oromia)</li> <li>— 1 steering committee</li> <li>— 1 technical advisory committee for the livestock MRV capacity building project</li> </ul>
ERPA signed	<b>Yes — for Phase 1</b>
Advanced draft BSP made public	<b>Yes — for Phase 1</b>
Value/volume of ERPA signed	<b>\$15 million for 1.8 million emission reductions for Phase 1 (Phase 2 to be negotiated)</b>
FGRM completed	<b>Yes</b>









# Indonesia

## 2.3 — Indonesia

### Key Achievements

- The ERPD for the Jambi Emission Reductions Results Project (JERRP) was finalized during FY24. ERPA negotiations are in progress.
- The ongoing grant program made significant progress throughout FY24 in implementing the underlying activities to generate emission reductions across the jurisdiction. Specifically, 320,792 hectares and 712,871 hectares of the total land area were brought under sustainable land management and/or restoration practices and sustainable management plans, respectively. Furthermore, 2,623 hectares of forest were reestablished through planting and/or deliberate seeding including under agroforestry schemes, along with coordinated community participatory patrols and forest fire management training that resulted in a 79 percent reduction in areas burned.
- Work progressed on assisting farmers in adopting sustainable practices to raise incomes while reducing emissions. To date, 1,426 farmers (of whom 29 percent are women) have been trained in adopting better agricultural technologies to support enhanced productivity. Furthermore, 156 community groups/villages have benefited through assets and/or services. Finally, 2,688 hectares managed by smallholders are now reported to comply with relevant sustainability guidelines.

### Overview

The archipelagic nation of Indonesia represents a complex tapestry of human, natural, and economic ecosystems. The country's more than 18,000 islands are home to some of the most biodiverse rainforests in the world. According to the Rainforest Action Network, the forests house an astounding portion of the world's biodiversity—approximately 12 percent of the world's mammal species (including 35 species of primates) and 16 percent of the world's reptiles. This astonishing animal population shares the islands with a growing human population of more than 270 million, making Indonesia the fourth-most populous country in the world. Indonesia also has a bustling economy—the largest in Southeast Asia and the 10th-largest in the world.

Jambi, one of Indonesia's most forested provinces, is incredibly biodiverse. The region has experienced significant land use and forest cover change in recent years, largely because of agricultural

development. Both large concessionaires and smallholder producers have transformed massive plots of undisturbed land into crop production sites for commodities such as palm oil, pulpwood, rubber, and coffee. Deforestation and forest degradation are also exacerbated by weak governance related to land use conversion and natural resource extraction. While the eastern peatlands and western highlands of Jambi contain significant carbon stocks and high potential for sequestration, frequent forest and peat fires release high volumes of carbon dioxide into the atmosphere.

The Jambi Sustainable Landscape Management Project (J-SLMP),<sup>10</sup> the grant program that forms the foundation of the JERRP, aims to increase forest area, improve sustainable land management, and reduce land-based GHG emissions in the region. It has three components involving the following activities:

10 You can read more about the J-SLMP here: <https://projects.worldbank.org/en/projects-operations/project-detail/P166672>.



1. Strengthening policies and institutions to improve cross-sectoral coordination and action addressing drivers of emissions in Jambi and to support an enabling environment for the emission reductions program
2. Integrating forest and land management in Jambi, particularly through sustainable forest management, agricultural intensification and diversification, conservation and restoration, and value chain sustainability
3. Supporting national and provincial-level project coordination and management, including monitoring, evaluating, and reporting

## Progress in FY24

Entering the fourth year of operation, the J-SLMP has made strong progress in strengthening policies through forest and land use policy reforms. The Jambi Province reported the issuance of five governor regulations: the Green Growth Plan, Indonesia One-Data Policy for Jambi, Peatland Protection and Management, Incentive for Private Sector in Ease of Doing Business, and Corporate Social Responsibility in Green/Sustainable Business. In addition, two district regulations on forest and land fire have been issued to support coordination mechanisms and fire management actions as a local government's preventive response to the extended dry season caused by El Niño (see box 2.3).

The provincial government's strong ownership of the program has provided guidance and enabled coordination between provincial agencies as the project implementing unit and other relevant subnational agencies, including the Local Disaster Management Agency, the Peat and Mangrove Restoration Agency, and the Meteorological, Climatological, and Geophysical Agency (BMKG). They work together to promote more efficient and effective disaster prevention and climate change mitigation efforts and prevent emissions from the province. Furthermore, forest management units under the forest service agency (facilitated by the J-SLMP) have also bedded down coordination

with BMKG to implement project activities for forest and ecosystem rehabilitation. Significantly fewer forest fires compared with previous El Niño and dry seasons testify to the success of the fire prevention efforts led by the community groups.

In its efforts to conserve, rehabilitate, and restore forests, the J-SLMP has continuously provided a platform and supported strategic alliances within the province. These alliances include collaborations among national parks, the Provincial Forestry Agency, and the forest management units to bolster existing community reforestation efforts in state production forests and conservation areas. Capacity building has been further provided through community training on forest protection within state forest areas. Additionally, public awareness campaigns aim to reduce the occurrences of prescribed burns or illegal burning, forest fires, illegal logging, and illegal forest conversion. This includes conserving forest cover in national parks while establishing conservation partnerships between national parks and communities to facilitate managed access for livelihood improvement through agroforestry.

Notable progress has also been made in facilitating the implementation of sustainable land management, including the adoption of more sustainable agricultural practices by local communities. Notable initiatives led by the J-SLMP include the establishment of farmer cooperatives and forest community business groups, the implementation of participative forest patrols, and the provision of technical support in securing legal access to state production forest land through the issuance of Social Forestry permits. In addition, the J-SLMP continues to provide agronomic training and technical supervision to farmer groups in the coffee, rubber, and organic rice sectors as well as seeds and planting equipment to farmer groups. It has now supported 1,426 farmers (nearly 30 percent of whom are women) to adopt better agricultural technologies and enhance productivity while improving the sustainability of their operations.



### Box 2.3: Reducing Fire Risks in Jambi Province, Indonesia

A key aim of the Jambi Sustainable Landscape Management Project is the reduction of burned areas in the project's sites. The comprehensive approach and actions initiated by the provincial government and key stakeholders, supported by the project, have contributed to encouraging reductions in land and forest fire incidents, dropping from 56,593 hectares in 2019 to 6,540 hectares in 2023, a reduction of almost 90 percent.

The project has supported the development of policies critical for sustainable land use management and emission mitigation, including peat management as well as fire prevention and management. The project has also facilitated the issuance of the decision letter by the Jambi governor on the emergency alert status for land and forest fires in two districts. This letter provides the legal basis for the provincial government to coordinate with relevant stakeholders at the subnational level for disaster prevention and climate change mitigation purposes.

In addition, the project refocused activities in the second half of 2023 to prioritize joint activities across implementing agencies on preventive and climate change mitigation actions. By increasing local community awareness and multi-stakeholder coordination and collaboration, fewer fire incidents took place over the past year. Moreover, from a socioeconomic perspective, participatory forest fire monitoring and management has provided alternative livelihoods for local communities, thus increasing their capacity and awareness.

#### Emission Reductions Program Preparation

The third-party validation of the Indonesia ERPD was completed by the end of 2023, with the remaining findings to be delivered as forward actions under the ERPA, as part of the agreement's condition of effectiveness. In parallel, the program's BSP was accepted as an advanced draft, thus allowing the negotiations on ERPA terms to commence.

The ERPA negotiations commenced in November 2023. In anticipation of the ERPA signing, the government of Indonesia team continued to work with the World Bank to improve both its ERPD and BSP to accelerate the ERPA condition of effectiveness fulfillment and expedite the first ERMR submission.

#### Private Sector Engagement

With the support of ISFL, it is anticipated that both the private sector and the provincial government will demonstrate a steadfast commitment to contribute proactively toward Indonesia's NDC targets. This is reflected in the Jambi Province Development Planning Agency

(Bappeda), which announced the enactment of a governor's decree establishing a forum on corporate social responsibility (CSR) to encourage the adoption of sustainable practices by private sector entities in Jambi, alongside a governor's letter detailing incentives to encourage private sector engagement in emission reduction initiatives.

In 2023, a compilation of exemplary practices from 11 private enterprises, along with other CSR endeavors, was curated to foster a collaborative environment for sharing information and knowledge aimed at reducing carbon emissions in Jambi. It is anticipated that both the private sector and the provincial government will demonstrate a commitment to consistently report on lessons learned and best practices. This collaborative effort is intended to bolster CSR-related activities and to make a proactive contribution toward achieving Indonesia's NDC targets. A dedicated portal for the Jambi CSR Forum was launched and is poised to be integrated with the broader Indonesian CSR portal.

At the level of the project implementation unit, 23 community partnerships with the private sector have been forged: They focus on initiatives such as the establishment of fire-responsive community groups, climate resilient villages, informal environmental schools, and organic villages. These partnerships have been instrumental in advancing sustainable landscape management practices at the grassroots level.

One example is the Agroforestry Field School, operated by the Sarolangun Hilir Forestry Management Unit, which offers practical training for farmers. Through the school, farmers engage in hands-on learning by directly observing and addressing the challenges of agroforestry on their lands, guided by expert trainers and resource persons. The field school aims to enhance the knowledge and skills of community members and farmer groups in integrating agroforestry into their farming practices, thereby improving the quality of their produce under the guidance of the forest management unit and other key stakeholders.

Additionally, the Plantation Agency has initiated capacity building programs for community and farmer groups. They focus on the early prevention of forest fires within the licensed plantation areas managed by 20 private companies in the Muaro Jambi district.

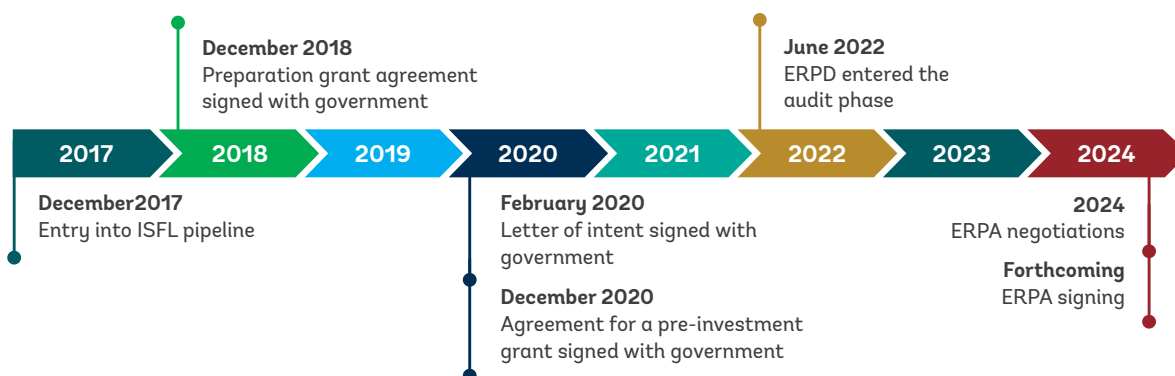
## **Social Inclusion and Stakeholder Consultations**

By the end of 2023, the government had concluded the free, prior, and informed consent (FPIC) process for the program in 230 villages in nine districts and one city. In total, 9,977 stakeholders (3,108 women and 6,869 men) have been consulted through this process.

Apart from ensuring an open channel for the stakeholders to enable continuous consultations, this process involved meetings at the village, district, and provincial levels. Stakeholder participation at the village level was enabled by establishing meetings before stakeholders could provide consent to the program. All the villages granted their consent to be part of the program, with several villages requesting additional information before providing their consent.

Separate from the FPIC process, in early 2024, as a result of various consultation processes, safeguards requirements were finalized and disclosed at the World Bank and on the government's website. They include the Environmental and Social Management Framework (ESMF), Strategic Environmental and Social Assessment (SESA), Stakeholders Engagement Plan (SEP), and Environmental and Social Commitment Plan.

## Program Timeline



## Program Profile

<b>Jurisdiction</b>	Jambi Province
<b>Size of jurisdiction</b>	5 million ha
<b>Population in jurisdiction</b>	3.5 million people
<b>Accounting area</b>	2,082,286 ha
<b>Implementing agency</b>	Ministry of Environment and Forestry
<b>ISFL funding</b>	<ul style="list-style-type: none"> <li>– \$1.5 million technical assistance grant</li> <li>– \$13.5 million implementation grant (under implementation)</li> <li>– Potential payments for verified emission reductions to be determined</li> </ul>





## High-Level Context



### Drivers of deforestation and peat decomposition

Approximately two-thirds of Indonesia's annual GHG emissions come from land use change related to AFOLU.

Peatlands in Indonesia, which cover a total area of 13.8 million ha, are estimated to store between 37% and 65% of the global carbon pool for tropical peat.

Drivers of deforestation and peatland decomposition include logging and the establishment of plantations, primarily for palm oil and acacia pulpwood.



### Key commodities and sectors

- Fisheries, livestock, palm oil, pulpwood (plantation-grown acacia and eucalyptus planted in natural forest areas), rubber
- Robusta and Arabica coffee (a smallholder crop); demand for coffee continuing to grow domestically and internationally
- Other important commodities: rice, vegetables, fruit, coconut, cinnamon, soybean, areca nut, and cacao



### Policy interactions and green growth strategies

The Forestry and Other Land Uses [FOLU] Net Sink 2030, signed in 2022, commits Indonesia to transforming the FOLU sector through forest and land rehabilitation, the management of peatlands, biodiversity conservation, and other activities.

The National Action Plan to Reduce GHG Emissions (2011) is an umbrella plan to reduce emissions in accordance with Indonesia's NDC commitments.

The One Map Initiative is an effort to establish a public, consistently georeferenced national inventory of all land parcels. It aims to clarify forest boundaries across the country, thereby allowing the successful design and implementation of emission reductions programs.

The Peatland Restoration Agency, established in 2016, was tasked with the restoration of 2.1 million ha of peatland. It expanded to become the Peatland and Mangrove Restoration Agency in 2020, with an extended mandate. A peatland moratorium and palm oil moratorium were enacted in 2016.

Provincial-level REDD+ programs and decentralization efforts are aligned with Indonesia's REDD+ readiness process. Provincial governments are responsible for managing most of the forest estate (Law No. 23 of 2014 on local government).

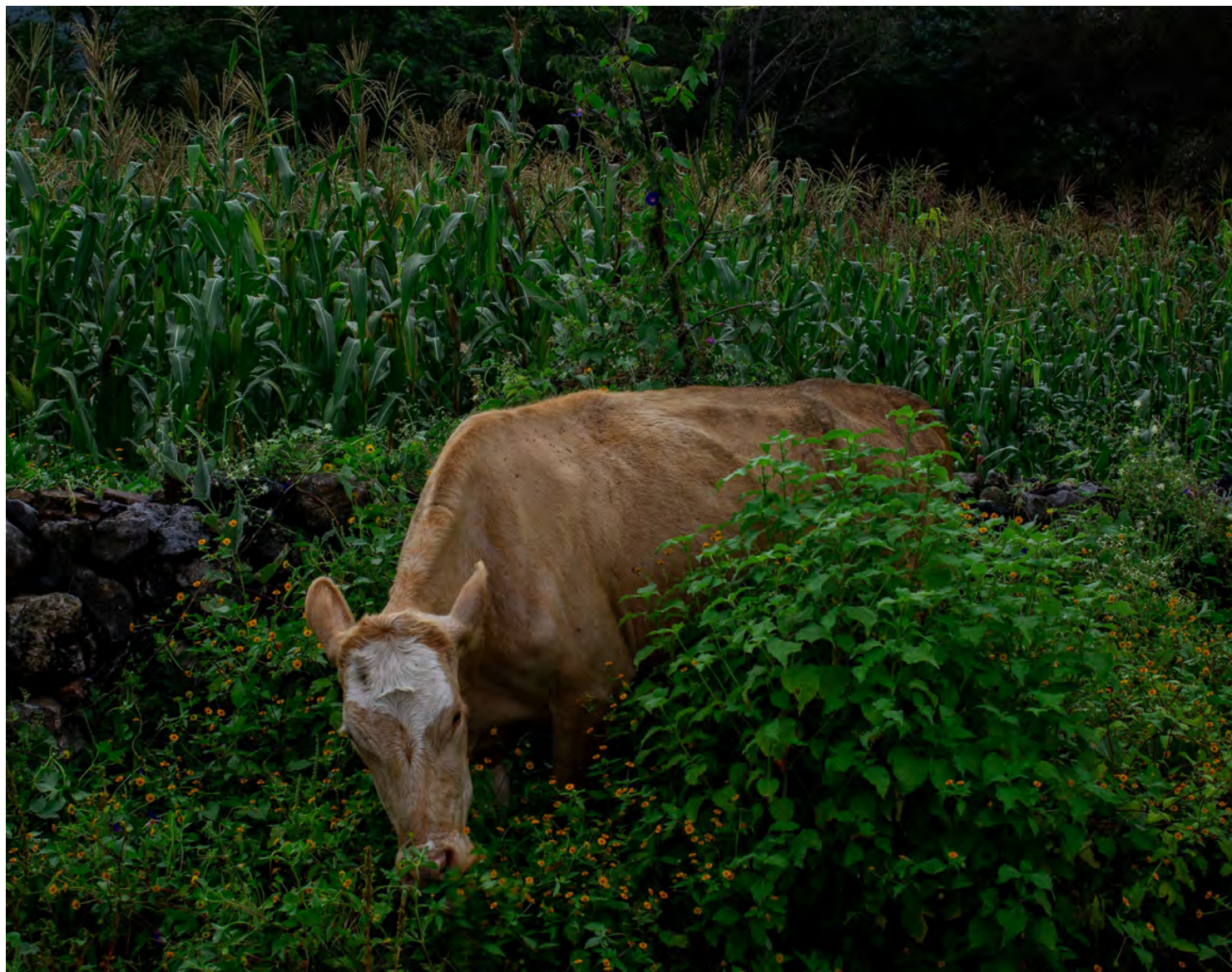


### NDC commitments

Indonesia has pledged to reduce its GHG emissions by 26% using its own resources and by 41% with international assistance by 2030. To achieve this reduction, Indonesia will need to decrease emissions by 1.08 MtCO<sub>2</sub>e, with the forestry sector expected to account for 60% of this target.

## Key Program Results to Date

Number of reforms in forest and land use policy, legislation, or other regulations and coordination mechanisms supported	7
Number of partnerships established with for-profit private sector organizations	23
Number of stakeholders consulted on ISFL programs following the World Bank's safeguards policies	9,977 (31% women)
Number of workshops held to prepare the ISFL program	558
ERPD completed	Yes







# Mexico



## 2.4 — Mexico

### Key Achievements

- The auditors produced a final report validating the ERPD.
- The grant underlying the program’s activities was extended through March 2025. This will further strengthen the government’s capacity to effectively implement a future ISFL emission reductions program. The grant program is enabling the National Forestry Commission (CONAFOR) to address some of the main drivers of deforestation identified as part of the program preparation, especially forest fires. This is of particular importance given the extreme drought Mexico is facing in 2024.
- During the year, the grant program delivered and supported activities that bolstered the government’s institutional capacity to provide enhanced technical assistance for integrated landscape management and to improve cross-sectoral coordination. For example, an enhanced governance program in the jurisdiction was initiated to allow the government to proactively engage with land holders and non-land tenure holders to familiarize them with CONAFOR operational rules and identify their financing and technical assistance needs.

### Overview

The ISFL program in Mexico is currently supporting enabling activities through the Strengthening Entrepreneurship in Productive Forest Landscapes Project,<sup>11</sup> which is co-financed by a World Bank loan and an ISFL grant. This wider project seeks to strengthen sustainable forest management while also increasing economic opportunities for forest-dependent people and enterprises in selected landscapes across the country.

The project has two components involving the following activities:

1. Strengthening forest management, conservation, and business development by financing demand-driven incentive programs in the forest sector that aim to support local communities, forest-dependent people, and other landholders
2. Developing institutions and facilitating support for the preparation of an emission reductions program, which is expected to cover the four

northern states of Chihuahua, Coahuila, Durango, and Nuevo León

The \$10 million ISFL grant focuses mostly on the second component, that is, supporting the preparation of the tools and systems needed to provide the government of Mexico with access to results-based financing. This component may generate a maximum of \$50 million in emission reductions payments.

### Progress in FY24

In early 2023, the ISFL grant for the Mexico program was extended by 18 months, until September 2024. This extension gave the program time to finish preparing the ERPD and further strengthen the government’s capacity to implement the future ISFL emission reductions program.

The extension bolstered the government’s institutional capacity to provide enhanced technical assistance for integrated landscape

<sup>11</sup> You can read more about the Strengthening Entrepreneurship in Productive Forest Landscapes Project here: <https://projects.worldbank.org/en/projects-operations/project-detail/P164661>.

management and improve cross-sectoral coordination. For example, an enhanced governance program in the jurisdiction was deployed.

This allowed the government to proactively engage with landholders and non-land tenure holders through a series of workshops.

The aim of the workshops was to engage with these future agents of change by familiarizing them with CONAFOR's operational rules as well as to identify their financing and technical assistance needs. Fifty-seven workshops were held across Coahuila (7), Chihuahua (25), Durango (15), and Nuevo León (10), with 1,454 participants (789 men and 665 women). Of note is the participation of the Ralamuli, Tepehuano, and Tepehuano del Sur Indigenous peoples in the sessions, thus highlighting the program's efforts to enhance social inclusion.

The grant extension also allowed CONAFOR to address some of the main drivers of deforestation identified as part of the program preparation, mainly forest fires. This is of particular importance given the extreme drought Mexico has been facing in 2024. With the ISFL grant proceeds and in anticipation of future program implementation, the government strengthened the existing forest fire early warning system, enhanced forest equipment to identify forest fires early through remote sensing and high-capacity drones, and provided communities with forest firefighting equipment.

The grant extension also allowed strengthening the forest management capacities of forest-dependent people. An example of this is the community forest monitoring initiative implemented with grant proceeds to hire 13 *ejidos* and communities to collect data for the third round of the national forest inventory (Inventario Nacional Forestal y de Suelos [INFyS]). The high-quality information gathered by these communities not only helps obtain better emission factors in the jurisdiction but also empowers the communities.

In addition, under the extended time frame, the World Bank and CONAFOR further strengthened monitoring arrangements for

field investments, thereby enabling the program entity to actively engage with forest-dependent people, continuously measure the impact of investments and technical assistance, and create a feedback loop that enables improvements and adjustments of the integrated landscape management programs.

More recently, the ISFL approved a request from the government of Mexico for a six-month extension of the Mexico Bio-ISFL grant. This extension will give the government additional time to make effective use of the grant resources to (a) fully finalize the ERPD's first-phase work and prepare for implementation readiness; (b) continue strengthening intersectoral collaboration and coordination with subnational entities to better align future investments in forest landscapes; and (c) push for improvements of AFOLU data for the jurisdiction's GHG inventory for the second phase of the ISFL program.

### **Emission Reductions Program Preparation**

By the end of FY24, Mexico's ERPD had finalized the third-party assessment process. A draft of the Benefit-Sharing Plan was formally submitted for review in May 2024.

A community-driven forest monitoring approach is currently under way in 13 *ejidos* and communities. It aims to generate data to improve the emission factors for the next ISFL GHG inventory.

Once under implementation, the underlying activities of the emission reductions program will include the following:

- Promoting community forest management for the sustainable and diversified use of forest resources
- Protecting forest ecosystems from fires, pests, and diseases
- Preserving and restoring ecosystem services through a PES scheme, forest restoration, and productive reconversion
- Encouraging the development of competitive local value chains to help grow local economies

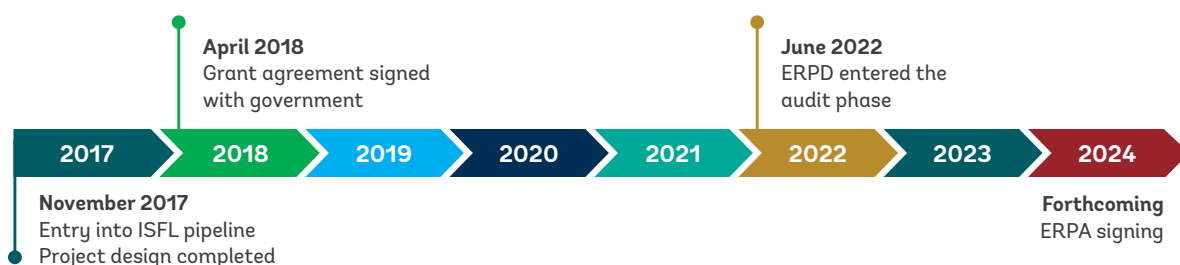
- Supporting the training of development agents within the territory

Moving forward, CONAFOR and the task team will work together to (a) finalize the ERPD process; (b) conclude the advanced draft of the BSP; (c) finalize the necessary environmental and social instruments, including a SEP, Environmental and Social Management Framework, and Environmental and Social Commitment Plan;

as well as (d) bridge ISFL with the federal and subnational governments' incoming teams following the June elections.

With the future carbon program, the aim is to scale up land management investments in rural communities and small businesses to improve income generation, strengthen low-carbon economic growth, and restore productive landscapes and ecosystems.

## Program Timeline



## Program Profile

<b>Jurisdiction</b>	Chihuahua, Coahuila, Durango, and Nuevo León
<b>Size of jurisdiction</b>	58 million ha
<b>Population in jurisdiction</b>	14 million
<b>Accounting area</b>	58 million ha
<b>Implementing agency</b>	CONAFOR
<b>ISFL funding</b>	<ul style="list-style-type: none"> <li>— \$10 million in grant financing available</li> <li>— Potential payments for up to 10 million tons of verified emission reductions</li> </ul>
<b>Co-financing</b>	<ul style="list-style-type: none"> <li>— \$56 million from a World Bank loan for the Mexico Strengthening Entrepreneurship in Productive Forest Landscapes Project (across 19 states)</li> <li>— \$119 million in government financing from CONAFOR</li> </ul>



## High-Level Context



### Drivers of deforestation

Land use change in Mexico is a result of regional, national, and international market pressures for the extraction of timber products, mining, agriculture, tourism, urban and industrial development, and infrastructure projects (such as dams, roads, and highways). In the ISFL program area, the key drivers of deforestation are agricultural expansion and livestock production, specifically cattle farming.



### Key commodities and sectors

— Agriculture and livestock production



### Policy interactions and green growth strategies

The General Law on Sustainable Forestry Development (LGDFS), through Article 138 Bis, empowers the Secretariat of Environment and Natural Resources (SEMARNAT) to enter into international agreements on cooperative mechanisms to reduce emissions in the forestry sector. It also states that results-based payment resources will be distributed according to a BSP that has been prepared in a participatory manner within the framework of the respective project.

The General Law on Climate Change (LGCC) sets out a framework for the development of Mexico's forest registry. Mexico has instituted a series of incentive programs, including the PES program supported by the World Bank. Since 2003, it has spearheaded the application of economic instruments for forest conservation and the promotion of sustainable forest management practices.

The National Forestry Program (PRONAFOR) supports activities in the forestry sector to promote the sustainable use and conservation of forests. Its strategies include promoting integrated landscape management, harmonizing and coordinating land policies and programs, and reducing GHG emissions caused by deforestation and forest degradation..



### NDC commitments

Forests play a crucial role in achieving Mexico's NDC targets. Mexico's updated NDC commitments include a target for zero deforestation by 2030.

Removals from the forestry sector represent around 26% of Mexico's total emissions. According to Mexico's third Biennial Update Report the total emissions of the country in 2019 amounted to 736.62 MtCO<sub>2</sub>e, while forest removals (coming from forested land remaining as forested land and land converted to forest through afforestation/reforestation) constituted just 192.75.35 MtCO<sub>2</sub>e.

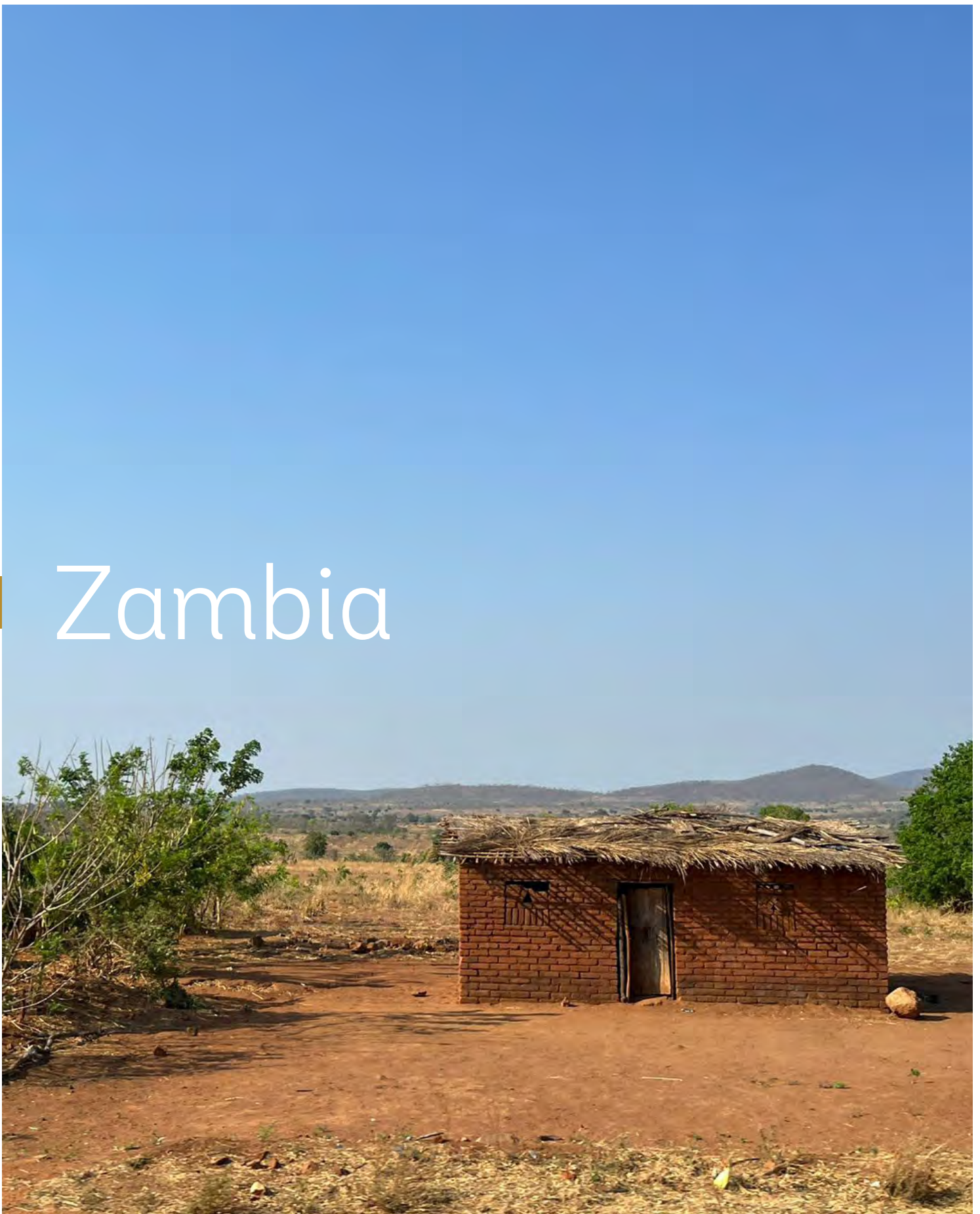
## Key Program Results to Date

Number of workshops held to prepare the program	37
Number of stakeholders consulted	638 (24% women)
Number of knowledge products prepared on entrepreneurship and forest management	30
Number of interinstitutional coordination mechanisms put in place to improve landscape-level governance	5
ERPD completed	Yes





# Zambia





## 2.5 — Zambia

### Key Achievements

- In June 2024, Zambia became the second country to sign an ERPA with ISFL. The ERPA unlocks up to \$30 million in results-based payments for emission reductions between 2024 and 2029. The payments will reward communities in Zambia’s Eastern Province for their efforts in forest conservation, climate smart agriculture (CSA), and other activities such as fuel-efficient cookstoves and sustainable charcoal production.
- The Zambia Integrated Forest Landscape Project (ZIFL-P)—the grant program that formed the foundations of the ISFL emissions reduction program in Zambia—closed in FY24. It had some impressive results, including increasing crop yields of farmers who adopted CSA practices by 32 percent, supporting the creation of new income-earning activities and jobs in rural communities that added to forest protection, and improving the sustainable management of over 72,000 hectares of forest.
- In conjunction with the results-based payments, the emission reductions program includes additional grant funding to expand on activities started in Eastern Province under the grant program, including \$4 million to support the expansion of community forestry management; 6 million pounds sterling from the government of the United Kingdom to support the continued expansion of CSA; and \$2 million from GEF for the scale-up of sustainable landscape management.

### Overview

The ZIFL-P—the grant program underlying the Eastern Province Jurisdictional Sustainable Landscape Program (EP-JSLP), the ISFL Zambia Emission Reductions Program—sought to improve landscape management and increase environmental and economic benefits for targeted rural communities in Zambia’s Eastern Province. By curbing rapid agricultural expansion and enhancing the benefits derived from forestry, agriculture, and wildlife, the program aimed to reduce emissions by approximately 30 million tons and increase the resilience of communities to the impacts of climate change.

The ZIFL-P had four components involving the following activities:

- Creating conditions that will enable the successful implementation of livelihood investments, thereby preparing Zambia for emission reductions purchases

- Financing on-the-ground activities that will improve rural livelihoods, conserve ecosystems, and reduce GHG emissions
- Financing activities related to national and provincial-level program coordination and management
- Facilitating the use of funds from the World Bank’s International Development Association (IDA) in the event of a disaster

### Progress in FY24

Recognizing the importance of agriculture in improving food security and the livelihoods of local communities in Eastern Province, the ERPD has integrated CSA into the program’s MRV system. It involves a novel modeling technique that combines climate, soil, and land management data to estimate the turnover of organic carbon in the soil. First, the soil organic carbon baseline

is established by using climate and weather information, soil survey data, as well as the time series of crop monitoring data and postharvest survey reports, compiled for the baseline reference period 2009–2018. The baseline has generated emission factors that will be compared with those of the soil carbon sequestration resulting from the adoption of the CSA interventions. The emission factors under consideration include minimum tillage; improved crop varieties with biotic and abiotic stress tolerance; integrated nutrient management that optimizes and combines the judicious inorganic fertilizer application with organic fertilizers such as compost and manures; and improved crop management practices through crop rotations and cover crops.

Under the program's implementation plan, CSA is expected to be adopted by 150,000 farmers. This will increase the land area under CSA from 174,000 hectares in 2020 to 311,000 hectares by 2029.

### **Grant Program Achievements during FY24**

Zambia's grant program supported an integrated approach to addressing development challenges across the Eastern Province landscape, including poverty reduction, environmental management, ecosystem protection, and infrastructure development. The ZIFL-P implemented a robust multi-stakeholder platform including local, regional, and national stakeholders. It also developed a series of integrated land management plans to reduce deforestation by restoring degraded land, setting up fire breaks, and identifying potential sites for sustainable, farmer-led irrigation subprojects.

During FY24, Zambia's Environmental Management Agency completed and launched a Climate Change Portal, including a mobile app, to improve user experience in accessing data and information for a variety of uses.

The ZIFL-P supported the Ministry of Agriculture and Forestry Department in raising and distributing 450,000 agroforestry seedlings to help enhance soil health, diversify land use, and mitigate environmental risks. Furthermore, the project supported the Ministry of Agriculture

to establish 21 Farm Led Irrigation Schemes, to implement the government policy on CSA. Each scheme covered 5 hectares cultivated by 50 farmers. The schemes are farmer led and operated and support the beneficiary communities in implementing sustainable, climate smart income-generating and value-added activities both off and on farm.

On the forest management front, the ZIFL-P developed the capacity to monitor the implementation management plans both for community forest and protected areas, training additional honorary forest officers. In FY24, the project supported the endeavor to bring 410,000 hectares of forested land under community control through the Community Forest Regulations of 2018.

To protect biodiversity, the ZIFL-P provided local rangers, who are working to prevent poaching and illegal wildlife trafficking, with patrol rations and field equipment. Additionally, the project supported the development of park infrastructure. The project also supported an aerial survey of elephants and other large herbivores at completion of the project to assess the abundance and distribution of these animals in the ZIFL-P-supported protected areas.

The survey provided a means to examine the trends in the wildlife numbers for the two protected areas as well as map the extent of anthropogenic activities within them. The aerial survey targeted three protected areas in the greater Luangwa ecosystem: Lukusuzi and Luambe National Parks, and Lumimba Game Management Area. All these efforts will contribute to emission reductions and forestry and biodiversity conservation.

The project has made good progress in developing its MRV system—a key technical instrument for enabling the collection and management of data and information—to provide high-quality emission reductions estimates in accordance with the guidelines of the Intergovernmental Panel on Climate Change (IPCC).

In FY24, the project team in collaboration with the Zambia Agriculture Research Institute (ZARI) carried out sampling the Eastern Province soil,

which was followed by analysis completed by a ZARI laboratory in Msekera that was built and equipped by the ZIFL-P. The analysis provided soil carbon data that will be used in the MRV process.

### **Emissions Reduction Signing in FY24 and Movement towards ER Program Implementation**

In June 2024, Zambia became the second country to sign an ERPA with ISFL. The agreement unlocks up to \$30 million in results-based payments that will reward communities in Eastern Province for their efforts to reduce around 3 million metric tons of CO<sub>2</sub>e (carbon dioxide equivalent) emissions between 2024 and 2029. The emission reductions program builds on the achievements of the ZIFL-P, which was co-financed by grants from ISFL and the Global Environment Facility (GEF), and a loan from IDA.

Payments from the ERPA will provide significant additional funding to the targeted rural communities undertaking these activities as GHG emission reductions are monitored, reported, and verified for results-based payment. A BSP, prepared with local actors and communities, will ensure that all participating stakeholders are rewarded for their role in reducing emissions.

The program has already increased yields of selected crops by over 32 percent using CSA, created jobs in rural communities, and improved sustainable management of more than 72,000 hectares of forest. In conjunction with the results-based payments to be provided, the emission reductions program includes additional grant funding to continue activities in the province begun under the ZIFL-P.

These grant funds include (a) \$4 million from ISFL donors to support the expansion of community forestry management; (b) 6 million pounds sterling from the U.K. government to support the continued expansion of CSA; and (c) \$2 million from GEF for scaling up sustainable landscape management. This additional funding will support sustainable forestry, CSA, social inclusion, biodiversity conservation, and other activities that will contribute to further climate mitigation and adaptation in Eastern Province.

Zambia will now move into the implementation of the EP-JSLP.

### **Private Sector Engagement**

As an incentive for communities to shift from unsustainable wood extraction to alternative livelihoods, the project provided subgrants to finance small-scale investments. These subgrants aimed to generate both monetary and nonmonetary benefits by establishing value for standing forests and generating carbon-related benefits in the long run.

To ensure these investments are sustained beyond the lifetime of the project, the project supported the establishment of partnerships with private sector companies. Specifically, it entered into partnerships with three technical service providers: Community Markets for Conservation (COMACO), the Wonta Enterprise, and Empowering Farmer Foundation (EFF). These providers have signed contracts to support value chain development activities in wildlife, agriculture, and forestry.

### **Impact of Zambia ISFL Program on Green Policy**

The implementation of the ZIFL-P has had an impact on the direction of the government's green policy. The 2023 National Budget Speech stated that to promote green growth in line with the Environmental Sustainability Pillar of the 8th National Development Plan, the government would promote the sustainable management of the environment, ecosystems, and natural resources. To this end, the ZIFL-P serves as a model in shaping and influencing national and regional policies related to forest conservation, land use, CSA, and sustainable natural resource management.

Furthermore, the ZIFL-P played a crucial role in the government's adoption of the paradigm of strong community involvement and multi-stakeholder partnership in the management of natural resources. In 2022, the National Community-Based Natural Resource Management Policy was formulated to provide a framework for promoting community participation and strengthening governance in the management of natural resources at the community level. The involvement



of multiple stakeholders, including government agencies, nongovernmental organizations, local communities, and international partners—as exemplified under the ZIFL-P—fostered cooperation and collaboration among these groups and influenced the development and implementation of green policies in Zambia.

The Zambia task team looks forward to continuing its support of sustainable forest management, CSA, and energy efficiency activities, as well as carrying out the MRV to account for the emission reductions produced in Eastern Province.

### Box 2.4: Sustainable Agriculture Increases Income, Reduces Carbon in Zambia

Zambia, as with many countries across the globe, has seen an increase in both droughts and flooding due to climate change. In Eastern Province, poor farming practices have contributed to declining soil fertility and resulted in the clearing of forests as farmers expand and seek better land. The clearing of trees for agricultural expansion exacerbates climate change, thereby causing even more unpredictable weather, reflecting a vicious cycle.

Led by Zambia's Ministry of Green Economy, the Zambia Integrated Forest Landscape Project used carbon finance to incentivize the adoption of climate smart agriculture. It was financed by the World Bank (through IDA)—\$17 million), the Global Environment Facility (GEF; (\$8.05 million), and ISFL (\$7.75 million).

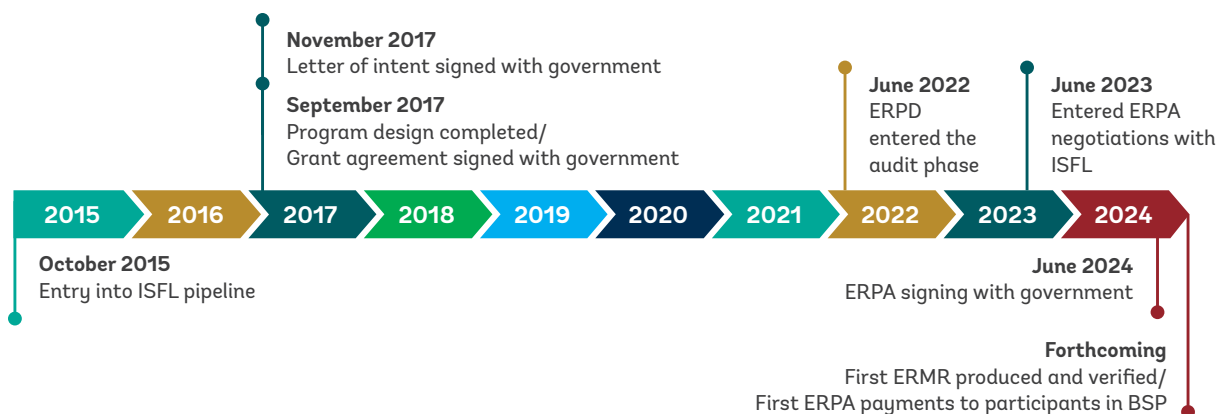
The project is a leading example of how integrated land use planning can transform degraded lands into vibrant forests while benefiting communities who live and work in the area.

To enable smallholder farmers to reap the benefits of carbon finance, climate smart agriculture (CSA) is integrated within the Eastern Province Jurisdictional Sustainable Landscape Program's monitoring, reporting, and verification system. This can help determine the carbon savings made from the farmers' adoption of CSA interventions, thereby resulting in payments to the farmers through the Benefit-Sharing Plan. This means that the populations most vulnerable to climate change can benefit from adaptation and mitigation as well as new income streams.

Under the ER program's implementation plan, CSA is expected to be adopted by 150,000 farmers, thereby increasing the land area under CSA from 174,000 hectares in 2020 to 311,000 hectares in 2029. To build capacity, the program trains extension officers to implement the new techniques. The extension officers in turn train lead farmers elected by the community who then train follower farmers in CSA technologies and practices.

By using integrated land use planning that includes CSA, Zambia is on track to reduce its greenhouse gas emissions by 25–47 percent, depending on the level of international support it receives. The program shows that climate mitigation and socioeconomic development can be simultaneously achieved through the active participation of local communities and other stakeholders.

## Program Timeline



## Program Profile

<b>Jurisdiction</b>	Eastern Province
<b>Size of jurisdiction</b>	5.1 million ha
<b>Population in jurisdiction</b>	1.7 million
<b>Accounting area</b>	5.1 million ha
<b>Implementing agency</b>	Ministry of Green Economy and Environment
<b>ISFL funding</b>	<ul style="list-style-type: none"> <li>— \$250,000 preparation grant</li> <li>— \$7.75 million implementation grant</li> <li>— Potential payments for up to 6 million tons of verified emission reductions</li> <li>— \$30 million ERPA</li> <li>— \$4 million grant for continued community forest management (as part of the ERPA program)</li> <li>— \$6.9 million grant for supporting CSA, nature and wildlife management, and digital climate advisory services during ERPA rollout</li> <li>— \$1 million grant for ERPA project implementation support</li> </ul>
<b>Co-financing</b>	<ul style="list-style-type: none"> <li>— \$8.05 million in GEF financing</li> <li>— \$17 million IDA loan</li> </ul>

## High-Level Context



### Drivers of deforestation

The main drivers of deforestation in Eastern Province are agricultural expansion, especially of maize and cotton, and wood harvesting for charcoal or firewood. The clearing of forests for agriculture is driven by the declining soil fertility of existing agricultural land. This is due to poor farming practices and the increase in the scales of production to improve incomes and food security.

The unregulated collection of fuelwood is often a precursor to agricultural expansion.



### Key commodities and sectors

- Cotton
- Maize



### Policy interactions and green growth strategies

The Wildlife Act (2015) encourages communities to form enterprises to advance park conservation. This legislation seeks to address the complicated legal process of establishing a community enterprise in Zambia.

The government of Zambia, with the support of the Forest Investment Program administered by the World Bank and various United Nations agencies, has undertaken a national REDD+ readiness process that includes the development of a national REDD+ strategy.

Zambia intends to reduce its GHG emissions according to its commitments under the Paris Agreement by implementing three programs, focusing on sustainable forest management, sustainable agriculture, as well as renewable energy and energy efficiency. These programs are driven by the country's climate-response strategy and supported by national development policies related to energy, forestry, agriculture, water, urban and rural planning, sanitation, and transport.

The country's emission reductions program is strongly aligned with the Ministry of Green Economy and Environment's goal to promote investment in low-carbon, resource-efficient, climate resilient, and socially inclusive economic activities.



### NDC commitments

Zambia has committed to reducing GHG emissions by 25% by 2030, or by 47% if substantial international financial support (approximately \$35 billion) is forthcoming. For both scenarios, the government plans to achieve most of its emission reductions through investments in sustainable land use and forestry management.



## Key Program Results to Date

Number of stakeholders consulted on the ISFL program	<b>5,904 (27% women)</b>
Number of funded technical studies completed	<b>18</b>
Number of workshops held	<b>21</b>
Number of partnerships established with not-for-profit organizations	<b>4</b> — Technical service providers for agriculture, wildlife, forestry value chains, and participatory land-use planning
Number of engagements established with not-for-profit organizations	<b>2</b> — Competitive African Cotton Initiative (COMPACI) — The Nature Conservancy
Number of coordination platforms supported	<b>6</b>
ESMF completed	<b>Yes</b>
SESA completed	<b>Yes</b>
FGRM completed	<b>Yes</b>
ERPD completed	<b>Yes</b>
Advanced draft of BSP completed	<b>Yes</b>







# Initiative Progress in Fiscal Year 2024



The ISFL is a pilot program and is working in five countries to pilot integrated land use planning at jurisdictional scale. As a pilot program the goal of ISFL is not just to successfully deliver the five programs but to develop a comprehensive approach to preserving forests while protecting and supporting communities' livelihoods. As such the wider program (the initiative) is focused on developing high quality technical materials, generating knowledge from the pilot programs and advancing AFOLU carbon accounting, for subsequent replication globally. This section lays out the progress of the full program.

### 3.1 — Moving toward Emission Reductions Purchase Agreements

Of the five country programs under ISFL, both Ethiopia and Zambia have completed their grant programs and signed ERPAs and are now implementing their jurisdictional emission reduction programs. The other three countries—Colombia, Indonesia, and Mexico—are still delivering their grant programs and have completed the finalization of their ERPDs, which is a prerequisite for initiating the ERPA negotiation, signing ERPAs and then moving to implement their emission reduction programs.

The Colombian grant program will close at the end of 2024, with the Mexican grant program closing in 2025, and the Indonesian grant program closing in 2026. The ERPA negotiations are currently ongoing for Colombia and Indonesia.

ISFL contributors have invested significant resources into the ISFL split between grants for preparation and results-based finance for the emission reductions programs. Out of a total of \$363 million in financing, approximately \$100 million in grant financing has been committed to supporting countries in designing and preparing their programs and in mobilizing private sector engagement. This enabled countries to not only develop their Emission Reductions Program Documents (ERPDs) and build their MRV systems, but also to invest in activities which support communities to adopt more sustainable economic models of land use. The vast majority of the remaining funds, approximately \$200 million, are dedicated to emission reductions payments which form the basis of financing for the five emission reduction programs.

An independent evaluation of the ISFL program in FY24 verified the success of ISFL's delivery of these grants in general (see section 3.3 for more information). Important capacities are being built, with impacts emerging across all five ISFL countries and jurisdictions. The evaluators found solid evidence of a path to sustainability and the replicability of the ISFL approach. All five pilot country programs were determined to have been well integrated into national and subnational frameworks, garnering political support from multiple ministries. Furthermore, all five countries are now seeking to replicate their jurisdictional integrated land use programs in other provinces and regions. This speaks positively of the impact that the programs are having on decision making within the countries.

As the second mid-term evaluation indicates, despite significant challenges, including the occurrence of the COVID-19 pandemic during their implementation, the five ISFL pilot programs have implemented their land use programs in a highly effective manner and have had impact. Notable results achieved by the programs include the following: (a) baselining of jurisdictional land use emissions; (b) development of sustainable land and forest management plans; (c) formulation and passage of legislation related to emission reductions titling; (d) engagement of the private sector to support the widespread adoption of improved practices that enhance incomes and productivity while reducing emissions; (e) progress in assisting countries to build the institutional capacity and processes necessary to access the evolving carbon markets; and (f) facilitation of access to future carbon and climate finance.



### Box 3.1: What is a Benefit-Sharing Plan?

Social inclusion is fundamental to all ISFL programs, which are focused on supporting country partners in generating benefits. This includes paying for verified emission reductions and allocating them to individuals and communities within the jurisdictions. These payments, directed through Benefit-Sharing Plans, help promote the sustainability of ISFL interventions by incentivizing communities to engage in climate action while ensuring the fair and equitable distribution of benefits. Key to this mission is ensuring that Indigenous peoples, local communities, women, youth, and other marginalized and vulnerable populations are consulted and have access to the benefits from the programs.

These plans—developed in a consultative, transparent, and participatory manner—determine how monetary benefits and non-monetary benefits generated under ERPA are distributed among the program’s beneficiaries. Monetary benefits refer to the cash beneficiaries receive from ERPA payments, while non-monetary benefits comprise inputs, capacity building, trainings, infrastructure, and alternative livelihood development, among others.

<sup>a</sup> More information on BSPs is available here: <https://www.forestcarbonpartnership.org/bio-carbon/en/index.html>.

### Carbon Offsetting and Reduction Scheme for International Aviation

An additional opportunity for ISFL countries to sell their emission reduction credits (ERCs) is now available through the United Nations’ Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). This initiative was developed by the International Civil Aviation Organization (ICAO) to address the increase in total CO<sub>2</sub> emissions from international aviation above 2020 levels. If an airline’s emissions exceed the baseline level, it must purchase eligible emission units (carbon credits) to offset the excess emissions. These credits can be sourced from various projects reducing or removing CO<sub>2</sub> from the atmosphere, such as reforestation, renewable energy, and other carbon-capture initiatives.

In November 2023, at its 230th Session, the ICAO Council approved ISFL’s application to supply CORSIA-eligible emission reduction units for its 2021–2023 compliance period (Pilot Phase) to offset excess emissions. At the same meeting, ISFL was also “conditionally” approved for CORSIA’s 2024–2026 compliance period (First Phase).

The acceptance of ISFL credits as offsets for the CORSIA Pilot Phase and conditionally for the First Phase is a validation of the robust and high-integrity approach and practices adopted by ISFL and our host country partners. This opportunity thereby provides host countries with additional avenues to monetize their emission reductions should they choose to do so (through the “third-party offer” mechanism included in the ISFL ERPAs or the host countries’ excess emission reductions).

### Box 3.2: Carbon Assets Tracking System

The World Bank's emission reductions transaction registry—referred to as the **Carbon Assets Tracking System (CATS)**—is an award-winning platform that supports the issuance, recording, and transaction of emission reductions units generated under World Bank programs. This includes the ERPAs from ISFL and the Forest Carbon Partnership Facility (FCPF). In the absence of national transaction platforms, CATS provides a secure, transparent, and user-friendly global resource that country participants can use to minimize risks in emission reductions payment operations.

CATS also supports international transactions under other initiatives with an interest in purchasing emission reductions units from World Bank programs. One example is the United Nations' Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).

The platform has been fully operational since May 2021, and since then, ISFL and the FCPF Carbon Fund have conducted regional training webinars for relevant country participants and donors across Africa and Asia, along with Latin America and the Caribbean. Dedicated, country-specific training sessions will continue to be implemented through FY25 as countries progress through their Emission Reductions Purchase Agreement validation and verification processes.

To access CATS, visit <https://cats.worldbank.org/>.

## 3.2 — Knowledge and Innovation

As a pilot program, ISFL is charged with designing and implementing innovative, integrated approaches to emission reductions on a jurisdictional scale. ISFL has a mandate both to seek out the latest knowledge to continually improve its programs and to share the lessons learned to enable replication by other actors. In this way, the initiative aims not only to implement innovative approaches to sustainable development in ISFL jurisdictions but to encourage and catalyze innovation on a much larger scale.

In FY24, ISFL's approach was validated by a third-party evaluation: It acknowledged the broad success of the ISFL programs while identifying areas for improvement. Following the evaluation, ISFL held a global Pause and Reflect Workshop to review with contributors, country partners and team members lessons learned and areas for improvement. Furthermore, in FY24, ISFL's integrated land use e-course went live globally.

### Box 3.3: ISFL at COP28

In December 2023, ISFL connected with program countries and a broad range of partners at the 28th Conference of the Parties (COP28) of the United Nations Framework Convention on Climate Change (UNFCCC) in Dubai, United Arab Emirates.

In Colombia's COP28 Pavilion, ISFL participated in two events showcasing the Orinoquía Emission Reductions Program. One event explored the program as a pathway for meeting the country's Nationally Determined Contributions, especially through sustainable food production as well as promoting environmental and social integrity. The second event shared how Colombia's collaborative approach to public-private partnerships is advancing the development of low-carbon production models in the country.

In Indonesia's COP28 Pavilion, ISFL joined the Forest Carbon Partnership Facility (FCPF) for a workshop to share lessons learned from the emission reductions programs in Indonesia, Ethiopia, and Viet Nam. Participants explored how the implementation of subnational REDD+ and integrated land use programs is helping achieve broader emission reductions targets.

### ISFL's Global Pause and Reflect Workshop

In June, ISFL held a Pause and Reflect Workshop in Oslo, Norway. The workshop was attended by 46 stakeholders from across all five programs, the national project implementation units, government ministries, and all five donor agencies. The goal of the event was to secure inputs to understand how the ISFL programs can be improved going forward and capture lessons for future programs of this nature.

Throughout the two-day event, feedback was solicited on critical elements of the ISFL program to date, including the following:

- **ERPD preparation:** Concerning the process by which each country prepared its ERPD—how effective and efficient it was as well as whether ISFL support was sufficient and correctly directed
- **ERPD assessment and ERPA negotiation process:** Concerning the ERPD assessment process by independent auditors and how countries were supported in preparing to negotiate an ERPA
- **Benefit sharing:** Concerning how well a wide range of stakeholders were consulted and included throughout the preparations

and which aspects of benefits sharing were considered the most relevant or challenging

- **Private sector engagement:** Concerning how well the private sector was engaged in shaping the process and outcomes of the programs, and whether private sector entities have been sufficiently incentivized to ensure a project's longer-term sustainability and scalability

Overall, the feedback received was generally positive, with the participants reaffirming the value of undertaking programs of such rigor. Furthermore, the tone of the meeting was genuinely uplifting despite the event's focus on identifying challenges and suggesting improvements.

Some highly useful learnings were generated about how the ISFL programs can be improved and how future integrated land use programs can be delivered more efficiently and speedily. Participants focused their feedback on a range of issues they perceived to be critical to the program's success, especially the following:

- **Need for technical and legal capacity support:** A main challenge expressed by all program countries was a lack of sufficient in-country carbon program experience and



capacity at the program's outset. This was specifically related to the emission reductions accounting and program design. Therefore, it was suggested that more up-front technical support should be provided to the countries to build local capacity. This would enhance both the efficiency and the effectiveness of the emission reductions program upon implementation.

- **Importance of transparency throughout the process:** All five countries offered insights into how the processes of the ISFL programs, which are complex and complicated, could be better managed. Essentially, stakeholders need to have a better understanding of how future emission reductions programs will work and what is to be expected. A key suggestion was more holistic program management and procurement to reduce stovepiping activities, thus ensuring speedier implementation.

ISFL will produce a summary of the key learnings from the event to share publicly.

## Sharing Knowledge to Further the Integrated Land Use Agenda

This year, ISFL collaborated with the Global Partnership for Sustainable and Resilient Landscapes (PROGREEN) to design and launch a comprehensive two-part e-course titled *Integrated Land Use Initiatives: Theory and Practice*.<sup>12</sup> This learning initiative aims to equip World Bank staff, government officials, civil society organizations, nongovernmental organizations, and other stakeholders with the knowledge to harmonize economic, environmental, and social considerations within diverse landscapes. The e-course is designed to help sustainability practitioners learn how to deal with the complex problems posed by the conflicting demands of different groups and set priorities and boundaries.

Through approximately three hours of instruction, the e-course addresses several topics within the principles of integrated land use planning, including multi-stakeholder engagement; environmental sustainability; economic benefits; boundary setting; land tenure; financing strategies; monitoring, evaluation, and learning; and cross-sectoral coordination.

The e-course is based on the *Guide to Integrated Land Use Initiatives*—a report published by ISFL in 2021 that draws on a review of approximately 150 integrated land use initiatives worldwide.<sup>13</sup> It was composed to meet growing interest from ISFL's stakeholders for insights into the workings of large-scale integrated land use programs. The demand reflected a knowledge gap that was hampering the effective implementation of these kinds of programs.

The aim was to make the original material from the report more accessible and instructive. This was done by synthesizing and enriching the course with updated, accessible content tailored to meet the needs of a broad audience. The design is to help learners gain practical insights and strategies that can be directly applied to their work in addition to theoretical knowledge.

The core team engaged with the World Bank's Open Learning Campus to ensure a successful launch and user accessibility. This partnership underscores ISFL's commitment to sharing knowledge to help shape the future of sustainable development globally. Since its launch, the e-course has elevated the visibility of the foundational guidebook. It has had over 2,000 downloads from the World Bank's Open Knowledge Repository and garnered academic citations, demonstrating its significant impact on the realm of sustainable development education.

<sup>12</sup> Find out more about the e-course and sign up here: <https://www.progreen.info/integratedlanduseinitiative>.

<sup>13</sup> The guide can be accessed here: <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/831591628501365387/toward-a-holistic-approach-to-sustainable-development-a-guide-to-integrated-land-use-initiatives>.

The e-course is also featured in the new World Bank Group Academy.<sup>14</sup> It provides capacity development and training to policy makers and development practitioners, helping them design

and implement effective social and economic policies that reduce poverty and boost shared prosperity on a livable planet.

### 3.3 — The ISFL Mid-Term Evaluation

In FY24, ISFL concluded the second of the three independent evaluations required by the fund's contributors over its lifetime. The evaluation<sup>15</sup> took place as the preparatory grant programs were drawing to an end and the emission reductions programs were coming to fruition. It gave valuable insights into the successful delivery of the grants and the ISFL approach to reducing greenhouse gas (GHG) emissions by promoting sustainable land use across large jurisdictions in Colombia, Ethiopia, Indonesia, Mexico, and Zambia.

The evaluation highlights that ISFL was relevant beyond jurisdictions, impacting the national policies and programs of the ISFL countries. Furthermore, ISFL stands out for its innovative use of results-based climate finance and its focus on integrated landscape management.

By aligning with national climate goals and adapting to the evolving global carbon markets, ISFL has effectively contributed to reducing emissions in the agriculture, forestry, and other land uses (AFOLU) sectors. The evaluation also highlights the program's success in advancing the readiness of the carbon market and fostering sustainable land management practices.

#### Highlights of the Evaluation

- a. **Significant contributions to global climate finance:** ISFL's innovative jurisdictional land use approach, alongside the provision of results-based climate finance, has significantly contributed to large-scale AFOLU emission reductions.
- b. **Successful emission reductions programs:** ISFL has exceeded its targets by promoting sustainable land and forest management on over 12 million hectares (ha).
- c. **Advancement of integrated landscape approaches:** Nearly 150,000 people have adopted sustainable land management practices, supported by 28 integrated landscape management reforms across participating countries.
- d. **Enhanced readiness and capacity development:** ISFL has made substantial progress in aligning MRV systems with international standards and building national capacities despite some challenges in data requirements and system harmonization.
- e. **Effective private sector engagement:** ISFL has promoted sustainable agricultural and forestry practices through 67 partnerships with private sector actors, particularly in Colombia, Ethiopia, and Indonesia.
- f. **Tangible co-benefits and sustainability:** The program has led to improved livelihoods, biodiversity conservation, and gender equity. Continued support and strategic partnerships are vital for long-term impacts.
- g. **Replication already occurring:** There is emerging evidence that all five countries are now planning to replicate aspects of the ISFL approach in other large-scale jurisdictions within their countries to build upon the impact of the current programs.

14 Learn more about the World Bank Group Academy here: <https://academy.worldbank.org/en/home>.

15 ISFL Mid Term Evaluation Available at: 1. [https://www.biocarbonfund-isfl.org/sites/default/files/2024-08/1.%20ISFL%20BioCarbonEvaluation\\_Final%20Synthesis%20Report\\_May%2031%2C%202024\\_Final.pdf](https://www.biocarbonfund-isfl.org/sites/default/files/2024-08/1.%20ISFL%20BioCarbonEvaluation_Final%20Synthesis%20Report_May%2031%2C%202024_Final.pdf)

## Areas for Improvement and Recommendations

While the evaluation underscores ISFL's successes, it also identifies areas for improvement to enhance the program's effectiveness. One key recommendation is to better manage program complexity by increasing the focus on activities most aligned with country readiness while more effectively addressing readiness gaps, primarily through continued financing and capacity support. The evaluation also suggests seeking means to increase the speed of delivery for the emission reductions programs, noting the significant time and effort required because of the complexity of the AFOLU accounting and measurement processes.

Another significant recommendation is to enhance private sector engagement by more rigorously tailoring strategies to the realities of the enterprises on the ground, particularly in landscapes where large-scale enterprises are absent. This would require leveraging the expertise

of national and international service providers and ensuring sufficient financial and other incentives for farmers and forest guardians to encourage behavioral change.

Finally, the evaluation highlights the need for enhanced communication and learning strategies. Disseminating ISFL's achievements and lessons more widely is seen as critical for facilitating replication and mobilizing additional funding.

## Looking Ahead

The evaluation underscores the importance of adopting ISFL's integrated AFOLU approach in future programs. It recommends focusing on country-specific readiness, capacity building, and financing support while emphasizing cross-sectoral coordination and private sector engagement. Enhanced monitoring, evaluation, and learning, along with amplified communication efforts, will further improve the program design and support replication.

## 3.4 — Private Sector Engagement

Private sector work by ISFL has focused on providing evidence of the viability and scalability of innovative business and financial models that could lead to sustainable approaches as well as ensuring an enabling environment for private investment. This approach aims to motivate private sector actors to replicate these models and private sector companies to deliver sustainable products and services.

The direct integration of REDD+ with the private sector is paving the way for future action, creating ongoing benefits and incentives for those in the AFOLU sectors. ISFL, through its private sector engagement approach and theory of change, has sought to draw in private sector participation by scaling business models possessing the potential to reduce emissions. By lowering the barriers to entry and startup costs for private sector actors, ISFL aims to demonstrate the potential of developing new sustainable business approaches.



### Box 3.4: Sustainable Livestock for Mitigation, Food Security, and Development

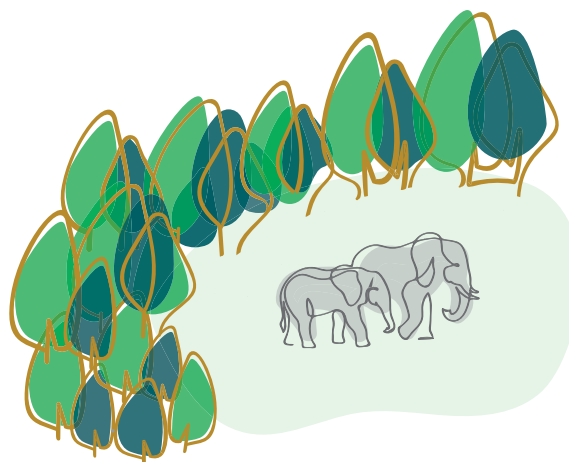
With the rising demand for animal protein in Africa and beyond, the rapid growth of the livestock sector is causing alarming increases in greenhouse (GHG) emissions, particularly methane. Urgent action and emission reductions measures are essential. Reducing total emissions requires a combination of herd-control measures and systems that offset emissions at their source. This can be achieved through nature-based solutions, such as reforestation and soil carbon sequestration, as well as through technology solutions.

Recognizing this potential, the World Bank's Agriculture and Food Security Team in East Africa, with the support of ISFL, conducted a rapid assessment of emission reductions and potential access to carbon finance and carbon markets in Botswana, Namibia, Tanzania, and Zimbabwe. The findings are as follows:

- Reducing emissions intensity and total emissions can be economically viable because of increased productivity, whereby benefits outweigh costs. To achieve desired productivity gains, substantial investments in public services, technology development, and infrastructure will be crucial.
- Cutting emissions in the livestock sector can open doors for these African countries to tap into expanding carbon markets. Accessing carbon finance can provide an extra incentive for the sector to boost productivity and lower emissions. Policy options will vary according to the types of livestock systems and sizes; special considerations should include small livestock keepers in challenging environments, such as pastoralists.
- Monetizing emission reductions in the livestock sector requires crucial capacity building for measurement, reporting, and verification (MRV). In many African countries, there is a lack of experience and knowledge in accounting for GHG in the livestock sector. Therefore, developing MRV capacity is a fundamental step for these countries to harness opportunities in emerging carbon markets.

ISFL has had success working with IFC in Colombia to reduce livestock emissions (see box 2.1). The assessment of this project, funded by ISFL, feeds into a regional report that can help inform future programs in target countries.

ISFL programs have invested in sustainable alternatives and the creation of appropriate incentives for private sector investment in unfamiliar approaches and technologies. In addition, ISFL has focused on strengthening the enabling environment for these new ways of doing business, working with public and private stakeholders to ensure that appropriate policies and support are put in place. This work has included building institutional capacity and encouraging reforms related to appropriate governance as well as providing financial and nonfinancial incentives for the adoption of low-carbon production practices.



## Private Sector Engagement in Jurisdictional Programs

The ISFL programs work across jurisdictions, with funding allocated to a portfolio of initiatives that are focused on reducing emissions. ISFL's adoption of a jurisdictional approach challenges many programs to work hand in hand with private sector actors, which can ensure the buy-in of local actors and the successful execution of these programs.

The World Bank's program in Zambia through the government-led Zambia Integrated Forest Landscape Project (ZIFL-P) best illustrates this approach. Throughout its implementation, the program engaged the private sector on issues such as sustainable land use, market access, eco-tourism, and good agricultural practices. A key example was the development of Nested Emission Reductions Purchase Agreements (NERPAs) (see box 3.5).

### Box 3.5: Zambia's Nested Emission Reductions Purchase Agreement

One of the challenges faced by jurisdictional projects that target reducing emissions is the inclusion of private investors or private carbon project developers looking for emission reductions or revenues from their investments in REDD+ or agriculture, forestry, and other land uses (AFOLU) programs. Despite the importance of these models for scaling REDD+ and AFOLU programs, it can be challenging to combine private sector-driven models with the standard Emission Reductions Purchase Agreement (ERPA) approach that distributes the carbon revenues to communities through a Benefit-Sharing Plan (BSP).

When the ISFL-supported Zambia Integrated Forest Landscape Project (ZIFL-P) faced this challenge, it developed a plan that would potentially offer not only a solution to include the nested projects in the jurisdictional system but also an option for future private partners to join the program and invest. Specifically, the Zambia ISFL ERPA includes private investors in the BSP through a specific envelope (30 percent of the carbon revenues) earmarked for project implementers—either private (nested projects implementers) or public (extension services). Private actors will be paid according to the results achieved in their nested area.

For this purpose, the private actors leading a nested project need to sign a Nested Emission Reductions Purchase Agreement (NERPA); this agreement details the services they are expected to provide and the conditions of their remuneration. Furthermore, any new private actor may join the emission reductions program, sign a NERPA, and invest additional funds. In such a case, they may get, as revenues, a portion of the 30 percent dedicated to the project developer.

If successful, this approach to nesting could be a model for attracting private investors into jurisdictional emission reductions programs. However, this should be closely followed to determine whether it can be a model for private investors or private carbon project developers looking for emission reductions or revenues from their investments in REDD+ or AFOLU programs.

The jurisdictional nature of ISFL means that private sector activities are embedded in many of the programmatic activities in its portfolio. With its two private sector programs in Colombia and Ethiopia, ISFL has been working on both innovative business models and enabling environments.

## Private Sector Work in Colombia

### Support of IFC on Agricultural Innovations

Through the support of ISFL, IFC has been working with large, vertically integrated agribusinesses in Colombia to promote policy dialogues, accelerate behavioral changes in the private sector, and support an enabling environment for piloting and mainstreaming sustainable practices. This work supports the development of climate smart land use and green supply chains to ensure sustainable livelihoods and reduce GHG emissions from land use. Specifically, the IFC team has been supporting three private sector clients to promote a competitive and sustainable beef supply chain in the Orinoquía region. This work has taken several different approaches, including increasing the supply of locally sourced, traceable animal feed production; managing farms for traceability; improving beef quality; developing outgrower business models; and documenting increases in the soil's organic material due to improved pasture through research with the International Center for Tropical Agriculture (CIAT).

In addition, IFC has supported the development and approval of the Sustainable Beef Ordinance in the Department of Meta. The ordinance sets guidelines and actions for a sustainable beef supply chain at the sectoral and regulatory levels (see box 2.1). It is the first ordinance of its kind in Colombia and is expected to be a model for replication by other departments.

### Innovative Approaches to Cacao Production

On the cacao side, IFC is working with a large cacao company to improve productivity, bolster the livelihoods of farmers, and brand specialty cacao from farmer coops associated with the company. An IFC investment in the company is also under discussion.

In another project, IFC is assisting a cacao company in Meta to establish a baseline study to assess how much of the natural biodiversity can be restored in the degraded land that the firm will be cultivating with cacao plantations. Developing approaches for reducing land degradation and supporting biodiversity protection while undertaking profitable business operations offers the potential for producing proven models of economic activities that can be replicated by other firms and enterprises.

IFC is also developing and testing an application to track and detect changes in deforestation in cacao value chains, with some potential to adapt it for replication in other firms. Robust traceability and change detection for smaller enterprises can be prohibitively expensive and complicated to introduce. If this application is proven to be more cost effective and simpler to use, this offers the chance to provide this type of service to many more enterprises, enabling them to robustly monitor their value chain activities and potentially access markets with higher levels of sustainability requirements.



### Box 3.6: STEM Training for High School Students in Colombia

The sustainable expansion of the cacao industry in the Orinoquía region is one goal of the ISFL program in Colombia. As part of this, IFC works with both public and private sector actors, reaching beyond investment to also educate and involve the communities active in cacao production.

In partnership with Bacao, a company focused on sustainable cacao production, IFC is helping train young people in rural schools on STEM (science, technology, engineering, and math) concepts applied to cacao production. The training sessions cover cacao genetics, agroforestry systems, and more. They also incorporate a focus on gender awareness and empowerment, featuring visual illustrations and the work of influential women in science, such as Helen Quinn and Rosalind Franklin. By equipping new generations with these tools, IFC aims to promote sustainable cacao production, enhance livelihoods, and mitigate the adverse impacts of climate change.

To ensure the continuity of this initiative after the project is completed, teachers are also trained on the STEM approach and its relevance in engaging rural youth with agriculture, natural resources, and climate change. The expectation is that the teachers will continue delivering the curriculum, going forward.

The project will benefit approximately 400 students in the Department of Meta in the Orinoquía region. By being better prepared, new generations will have improved tools to promote sustainable growth in their communities and beyond.



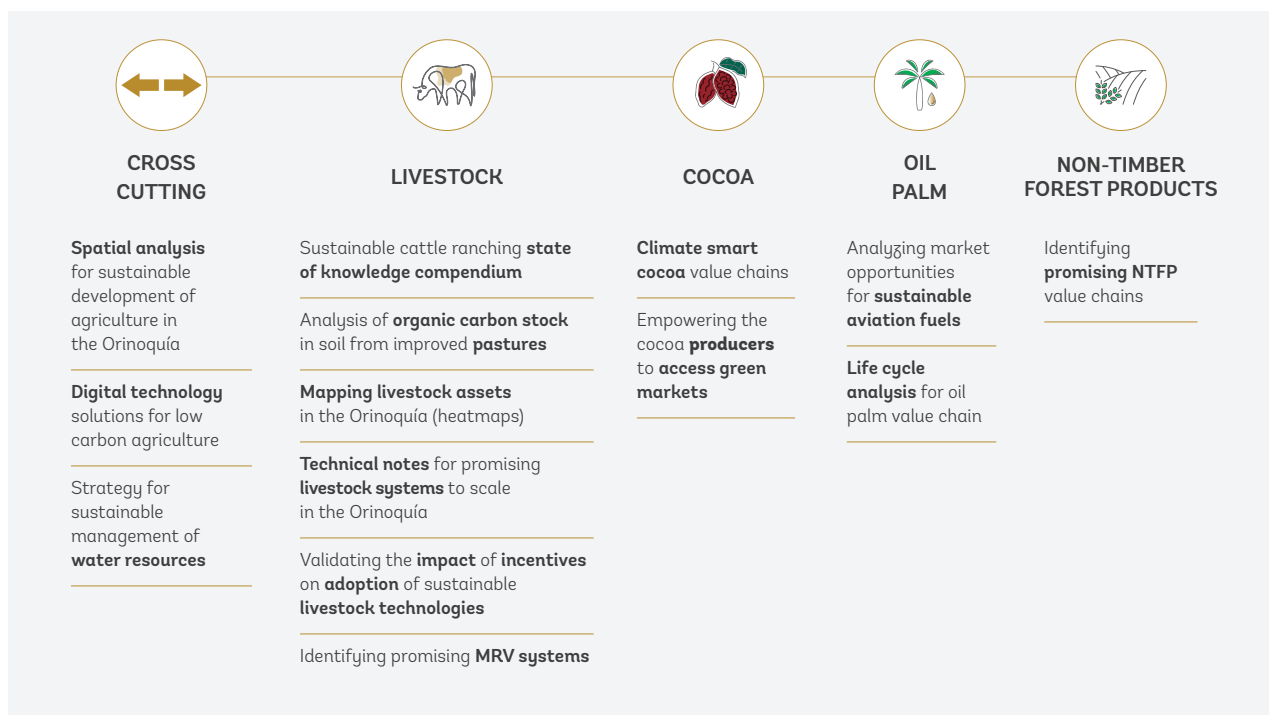
### The World Bank’s Agriculture and Food Global Practice Knowledge Bank on Sustainable Practices

The World Bank’s Agriculture and Food Global Practice has been leveraging synergies from public-private investments to build a knowledge bank to promote more sustainable agricultural practices in Colombia. This work was done through 13 analytical exercises working with a variety of technical partners, to facilitate the transition to more sustainable practices in supply chains. This work was a stand-alone ASA—Advisory Services and Analytics—funded by ISFL with the goal of supporting the program in Colombia by developing products to support private sector adoption of sustainable practices.

It has resulted in the creation of 18 knowledge products that will be made available to public, private, and civil society actors. The information available has already triggered conversations and led to new initiatives promoting sustainable and low-carbon agriculture in the region.

In FY25, the team will pivot toward communication and knowledge dissemination efforts to provide greater visibility into all these products, facilitate dialogue among stakeholders, and spark new initiatives around low-carbon agriculture. It will also work with the ISFL South-South Knowledge Exchange Program to host an event to share these studies, with a specific focus on livestock.

**Figure 6: Overview of ASA Projects Under Way**



### Colombia BioCarbon Project Private Sector Engagement Program

ISFL funding has also supported the Colombia BioCarbon project. The project has been creating new private sector incentive programs to improve agricultural practices in various value chains.

The focus of this work has been on creating a framework of payments for environmental services (PES) and providing special credit lines for sustainable crop production.

To date, 13 sector-wide platforms comprising private and public stakeholders, along with eight

public-private partnerships, have been established to support this framework:

- In the Department of Meta, the government-led BioCarbon project has established dairy, cacao, and beef platforms, while the public-private partnership in the dairy sector is at a scaling phase. The rice, forestry, and cashew platforms are under development.
- In the Departments of Vichada, Casanare, and Arauca, the PES work is at the platform and public-private partnership establishment level; this work will continue in 2024 and 2025.
- The team will continue to work across all departments: monitoring the sustainability of the established platforms for beef, dairy, and cacao (Meta); cacao (Casanare); and cashew (Vichada).
- Furthermore, the team will look at strengthening the new platforms in rice, forestry, and palm in Meta; rice in Casanare; and dairy in Arauca.

Building on what has been accomplished, emphasis will also be placed on knowledge dissemination, transfer of best practices, the scaling and intensification of efforts, as well as greater private finance engagement.

## Private Sector Work in Ethiopia

ISFL's private sector engagement programs in Ethiopia focus on two sectors in Oromia: smart dairy farming and coffee farm rejuvenation. They were prioritized as the most adequate to demonstrate new sustainable business models for smallholders' supply chains.

**The smart dairy farming project** is piloting farming and processing methods that would make the dairy sector in Oromia more sustainable and investable as part of the endeavor to prove the case for reducing GHG emissions. The study is testing three interlinked business models in partnership with the private sector: dairy service hubs, farmer extension support, and a commercial fodder center.

ISFL has selected Solidaridad for this project. Solidaridad has signed a memorandum of understanding with three leading dairy companies and is taking on three more. In addition, the firm is engaging four cooperatives to undertake the work of milk collection, cooling, and supply to collectors.

With the project moving into the physical installation of services, Solidaridad is procuring materials for the construction of a dairy service hub and infrastructure, along with the installation of solar-powered milk chillers. The next step will be to equip the services with input supply (veterinarian, feed, and extension services) to launch the businesses. The project will also operationalize MRV customization to trace, measure, verify, and monetize carbon emission reductions from climate smart dairy farming in Oromia.

**The coffee farm rejuvenation work** involves assessing the economic and environmental benefits of rejuvenating Ethiopian smallholder coffee farms through a process called stumping (see box 2.2), as well as identifying ways to scale it through private sector involvement.

To achieve these objectives, ISFL has engaged a consulting firm (TechnoServe) to gather and analyze data from several ongoing rejuvenation projects in Oromia. The analysis aims to address four research areas: (a) how to achieve the best level of incentivization, (b) how to scale up incentive-based rejuvenation, (c) the role of the private sector, and (d) the environmental outcomes of rejuvenation.

The first set of results TechnoServe is analyzing concerns the impact of the different incentives used on the first cohort of farmers who received training and incentives on stumping over a two-year period. Furthermore, the firm is measuring the environmental impact by using the Cool Farm Tool program and satellite imagery to do year-on-year comparisons of the forest loss in the project area of the program year.

A priority of this study is to identify strategies for scaling up and communicating the impact of the work. To achieve this aim, the firm led a session on this topic at the Africa Fine Coffee Association (AFCA) event in February in Addis Ababa, involving stakeholders along the supply chain, including the farmers benefiting from stumping.





# Looking Ahead

## 4. Looking Ahead

ISFL is looking forward to another busy year as it prepares to sign three more Emission Reductions Purchase Agreements (ERPAs) and support all our country partners in delivering their emission reductions programs. Through the implementation of the emission reductions programs in FY25, the initiative will also explore opportunities for raising the profile of the programs' biodiversity co-benefits alongside their climate change mitigation efforts.

As the programs move forward, ISFL will continue to align its strategic priorities with international goals and national policy commitments, as well as the World Bank's Climate Change Action Plan and the Engagement Roadmap for Carbon Markets. These focus areas provide an important foundation for the initiative's continued efforts to improve livelihoods and enable sustainable natural resource management around the world.

### 4.1 — Key Priorities for the Coming Year

**ISFL has set the following priorities for the year ahead:**

1. Continue to work towards ERPA signings for the Colombia, Indonesia, and Mexico ISFL programs.
2. Support countries in moving their emission reductions programs forward after the signing of their ERPAs, including continuing to assist countries in operationalizing their measurement, reporting, and verification (MRV) infrastructure.
3. Promote biodiversity conservation in integrated land use and emission reductions programs, including piloting biodiversity measurement in Colombia's Orinoquía region.
4. Continue to support program teams to drive emission reductions in livestock sectors (meat and dairy) by identifying and implementing improved lower-carbon production processes and models.
5. Share best practices in low-carbon private sector production approaches from ISFL programs through South-South knowledge exchanges.
6. Implement the recommendations and share the lessons from the mid-term program evaluation.
7. Work with partners, such as the Enhancing Access to Benefits while Lowering Emissions (EnABLE) trust fund, to ensure that our work is fully inclusive—that is, beneficial to Indigenous peoples, local communities, and other marginalized populations in all of our program areas.
8. Provide as much support as possible to countries to help them maximize the monetization of their carbon credits, ensuring that they secure high prices that reflect the exceptional social and environmental integrity of the credits they have produced.





# Appendices



# 5. Appendices

## Appendix A — ISFL Logframe and Theory of Change

The BioCarbon Fund Initiative for Sustainable Forest Landscapes' (ISFL) theory of change presents the logic behind its interventions and describes how they can lead to targeted objectives. These interventions are derived directly from ISFL's key design elements (see figure 3). The intervention objectives are broken down into different operational and strategic elements to allow for monitoring and evaluation. ISFL's theory of change (see figure 7), along with its logframe (see table A.1), were developed and implemented in FY17 as part of the initiative's Monitoring, Evaluation, and Learning Framework.<sup>16</sup> The framework was updated in FY19, FY21, FY22, FY23, and FY24, with the logframe including targets for all programs in the ISFL portfolio. The 2024 ISFL mid-term evaluation didn't recommend a review of the logframe. Figure 7: ISFL Theory of Change

### ISFL Logframe

The ISFL logframe is derived from the initiative's theory of change.<sup>17</sup> Its purpose is to serve as a reference for the operational planning, monitoring, and evaluation of the initiative's overall performance and impacts. As with all logframes, it is not a static blueprint for implementation; rather, it is a flexible tool that can be adjusted as progress is made and lessons are learned.

Targets are based on the best estimates of ISFL when the logframe is published. Target values will be updated based on the information of each ISFL program's results framework, as it is finalized in the corresponding program's design document and as future programs are added to the ISFL portfolio. The ISFL Fund Management Team, which is responsible for maintaining the logframe, will consider re-baselining targets if and when it receives the following inputs:

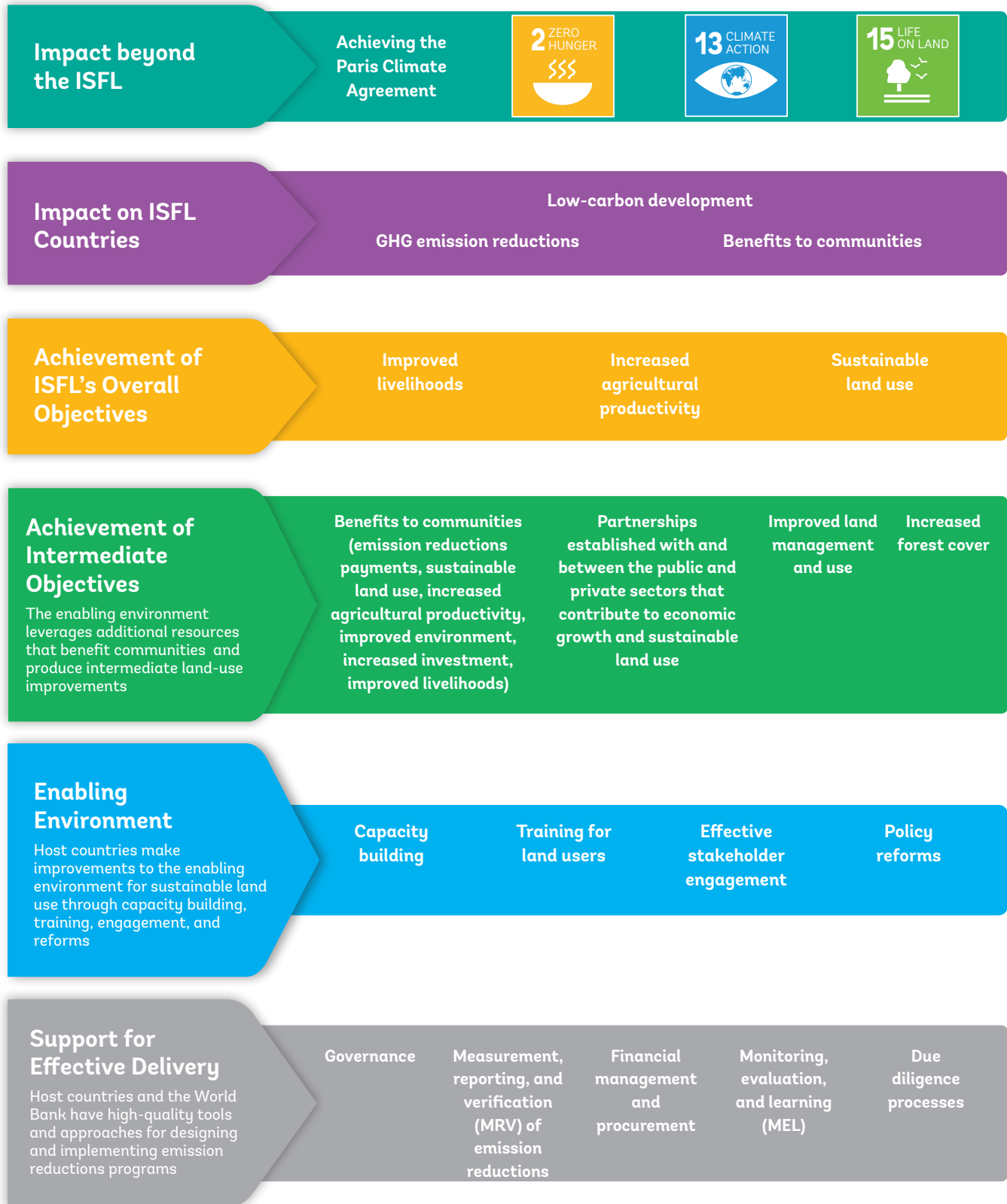
- New or adjusted ISFL program results frameworks that may occur when there is a mid-term review of the program or program restructuring
- ISFL evaluations
- Extraordinary events occurring in ISFL program areas that significantly alter the logframe targets

Impact and outcome indicators are mandatory. All ISFL programs are required to include them in their respective results frameworks if they are relevant to their specific program. Output indicators, on the other hand, are optional.

<sup>16</sup> The ISFL MEL Framework can be accessed here: [https://www.biocarbonfund-isfl.org/sites/default/files/2024-09/ISFL%20MEL%20Framework%20Sep.%202024\\_clean.pdf](https://www.biocarbonfund-isfl.org/sites/default/files/2024-09/ISFL%20MEL%20Framework%20Sep.%202024_clean.pdf).

<sup>17</sup> The logical framework, or logframe, is one of the principal tools used by the international development community to help design projects to achieve measurable results. Used at the World Bank since 1997, it is the core reference document adopted throughout a project management cycle.

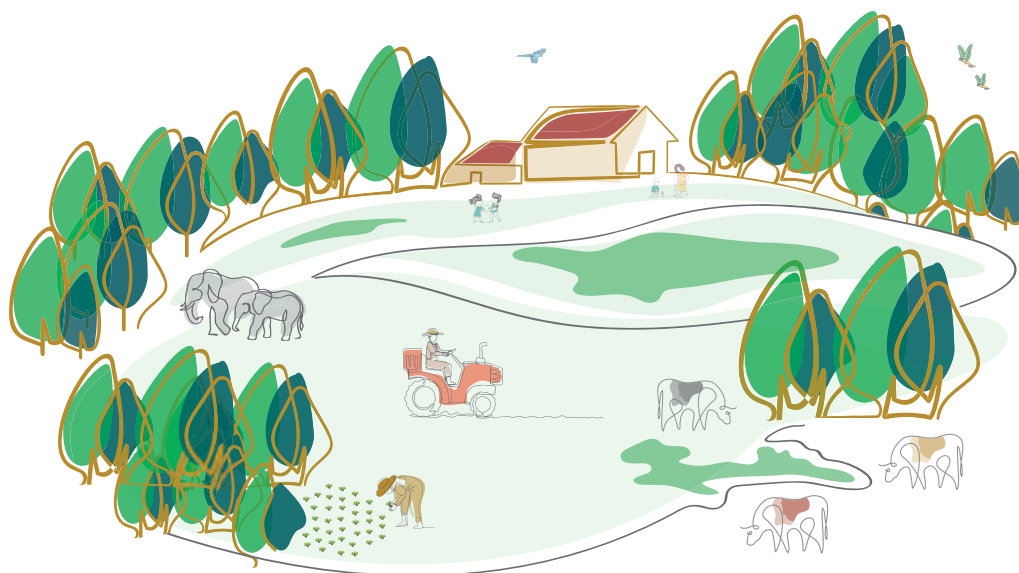
**Figure 7: ISFL Theory of Change**



The ISFL program teams are strongly encouraged to include these indicators in their respective results frameworks to allow for the maximum aggregation of results for the initiative. However, given the wide variances in program designs, it is understood that the adoption rate of output indicators will be lower than those of impact and outcome indicators.

Furthermore, all targets are cumulative. This report covers progress made cumulatively through the World Bank's fiscal year (FY) 2024 (that is, July 1, 2023–June 30, 2024). Therefore, the following should be noted:

- Results for Colombia, Ethiopia, Indonesia, Mexico, and Zambia are aggregated in the logframe. The specific countries reporting on particular indicators are indicated by “C,” “E,” “I,” “M,” or “Z” in the column labeled as “countries currently reporting on indicator.”
- Regarding Tier 1 targets for Zambia and Mexico, Outcomes 1 and 2, along with Outputs 1 and 2, are discounted on account of formal co-financing arrangements. Furthermore, it should be noted that 24.17 percent of total results are reported for the Zambia grant program, while 15.15 percent of total results are reported for the Mexico grant program.





**Table A.1: ISFL Logframe**

<b>Tier 1 (Impact): Contribute to low-carbon development by delivering benefits to communities and reducing greenhouse gas (GHG) emissions in ISFL program areas and catalyzing programs beyond ISFL</b>							
Impact Indicator	Baseline (FY14)	FY19	FY21	FY26	EOP <sup>18</sup> Target (FY31)	Countries Reporting	FY24 Results
<b>T1.1a</b> Number of people reached with benefits (assets and/or services) from ISFL grant programs (% women) <sup>19</sup>	0	13,683 (average 22%)	100,824 (average 28%)	126,261 (average 29%)	126,261 (average 29%)	C, E, I, M, <sup>20</sup> Z	<b>186,860 (38%)</b> <sup>21</sup>
<b>T1.1b</b> Number of people reached with benefits (assets and/or services) from ISFL emission reductions programs (% women)	[Indicator targets developed in FY23]				800,000	E, <sup>22</sup> Z <sup>23</sup>	0
<b>T1.2</b> GHG emission reductions in ISFL program areas (MtCO <sub>2</sub> e) (FAP) <sup>24</sup>	[Indicator targets developed in FY23]			44,859,080	116,002,173	C, E, I, M, Z	0
<b>T1.3</b> Non-ISFL programs replicating or incorporating ISFL approaches in their program design	No	No	Yes	Yes	Yes		Yes <sup>25</sup>

<b>Tier 2: Outcome</b>								
Impact Indicator	Baseline (FY14)	FY19	FY21	FY26	EOP Target (FY31)	Countries Reporting	FY24 Results	
<b>Outcome 1: Improve land management and land use, including forest cover</b>								
<b>T2.01.1</b> Total natural forest area in ISFL program areas (ha)	[Indicator targets to be developed]							N/A
<b>T2.01.2</b> Reduction in deforestation compared to a reference level in ISFL program areas (ha)	0	1,209	4,496	5,842	5,842	Z	2,114	

18 End-of-program (EOP) target.

19 Bolded indicators are mandatory for all ISFL programs and/or the initiative to report on, if relevant.

20 No disaggregation was given by Mexico when setting targets.

21 No disaggregation was reported by Mexico for this indicator.

22 No disaggregation was given by Ethiopia when setting targets.

23 No disaggregation was given by Zambia when setting targets.

24 "FAP" denotes that this indicator originates from the Forest Action Plan (FAP).

25 The evaluation found evidence of early replication within five countries and globally. Details can be found in section 7.3 (Sustainability) of the evaluation report ([https://www.biocarbonfund-isfl.org/sites/default/files/2024-06/2.%20ISFL%20BioCarbonEvaluation\\_Final%20Synthesis%20Report\\_April%2030%2C%202024\\_Final.pdf](https://www.biocarbonfund-isfl.org/sites/default/files/2024-06/2.%20ISFL%20BioCarbonEvaluation_Final%20Synthesis%20Report_April%2030%2C%202024_Final.pdf)).

Tier 2: Outcome							
Impact Indicator	Baseline (FY14)	FY19	FY21	FY26	EOP Target (FY31)	Countries Reporting	FY24 Results
<b>Outcome 1: Improve land management and land use, including forest cover</b>							
T2.01.3 Emission reductions from forest degradation compared to a reference level in ISFL program areas (MtCO <sub>2</sub> e)	[Indicator targets to be developed]						N/A
T2.01.4 Land area reforested or afforested in ISFL program areas (FAP) (ha)	0	5,047	24,758	162,712	162,712	E, I, M	13,437
T2.01.5 Land users who have adopted sustainable land management practices (% women) as a result of ISFL support, including in the following sectors where relevant: forestry, agriculture, other	0	14,081 (average 14%)	56,839 (average 23%)	63,663 (average 30%)	63,663 (average 30%)	E, I, M, <sup>26</sup> Z	143,031 (36%) <sup>27</sup>

Outputs to achieve Outcome 1							
T2.01.a Total land area brought under sustainable management plans as a result of ISFL support, including where relevant: forest plans, biodiversity plans, land use plans, other (ha)	0	38,977	1,890,359	19,714,292	19,714,292	C, E, I, M, Z	13,632,166
T2.01.b Total land area brought under sustainable landscape management practices as a result of ISFL support, including where relevant: forestry, agriculture, other (ha) (CRI, <sup>28</sup> FAP)	0	5,725	48,707	310,587	725,587	I, M, Z	374,547
T2.01.c Land users who have received training for improving land management (% women)	0	13,250 (average 15%)	27,625 (average 28%)	30,000 (average 28%)	30,000 (average 28%)	C, E, M	47,580 (31%)
T2.01.d Land users who have received training for agricultural productivity (% women)	0	20,000 (25%)	20,000 (25%)	20,000 (25%)	20,000 (25%)	E	69,619 (33%)
T2.01.e Reforms in forest and land use policy, legislation, or other regulations as a result of ISFL support	0	0	6	14	14	C, I, M	34
T2.01.f Government officials who have received technical training on ISFL interventions (% women)	Indicator will be reported each year. Targets will not be included for this indicator.					M	0
T2.01.g Number of government institutions provided with capacity building support to improve land use management	Indicator will be reported each year. Targets will not be included for this indicator.					M	0

26 No disaggregation was given by Mexico when setting targets.

27 No disaggregation was reported by Mexico for this indicator.

28 "CRI" denotes that an indicator is adapted from the Corporate Results Indicators (CRI) list.

Tier 2: Outcome							
Indicator	Baseline (FY14)	FY19	FY21	FY26	EOP Target (FY31)	Countries Reporting	FY24 Results
<b>Outcome 2: Deliver benefits to land users</b>							
<b>T2.02.1 Number of communities or other organizations that have received benefits (assets and/or services) from emission reductions payments</b>	[Indicator targets developed in 2023]				2,049	E, Z	0
<b>T2.02.2 Number of people involved in income generation activities due to ISFL support (% women)</b>	[Indicator targets developed in 2023]				425,000	E, Z <sup>29</sup>	0
<b>Outputs to achieve Outcome 2</b>							
<b>T2.02.a Number of approved Benefit-Sharing Plans (BSP) established for emission reductions payments</b>	0	3	5	5	5	C, E, I, M, Z	1
<b>T2.02.b Value of emission reductions purchases from ISFL programs (US\$, millions)</b>	[Indicator targets developed in FY23]				45	E, Z	0
<b>Outcome 3: Leverage partnerships with and between the public and private sectors to advance the ISFL vision and approach</b>							
<b>T2.03.1 Volume of for-profit private sector finance leveraged to contribute to ISFL objectives (US\$, millions)</b>	Targets will be set for emission reductions programs where teams and clients have the ability to report on this data. Targets will not be set for grant programs, but the indicator will be reported each year.				31	C, E, I, M, Z	9.5
<b>T2.03.2 Volume of not-for-profit finance (public or private) leveraged to contribute to ISFL objectives (US\$, millions)</b>	Targets will be set for emission reductions programs whereby teams and clients have the ability to report on this data. Targets will not be set for grant programs, but the indicator will be reported each year.				40	C, E, I, M, Z	170.55
<b>T2.03.3 Number of people in private sector schemes adopting sustainable practices (% women)</b>	[Indicator targets developed in 2022]		11,603 <sup>30</sup>		511,603	C, E, Z	25,365 (36%)
<b>T2.03.4 Number of businesses/private sector actors ensuring environmental and social benefits are created, sustainable, and scaled as a result of ISFL support</b>	Indicator will be reported on following each program evaluation. Targets will not be included for this indicator						N/A <sup>31</sup>

29 No disaggregation was given by Zambia when setting targets.

30 Targets were not set for women for this indicator, but programs are expected to report on gender disaggregation each year.

31 The evaluator has provided qualitative evidence but was not able to provide numeric results. More details can be found in section 4.7 (Private Sector) of the evaluation report ([https://www.biocarbonfund-isfl.org/sites/default/files/2024-06/2.%20ISFL%20BioCarbonEvaluation\\_Final%20Synthesis%20Report\\_April%2030%2C%202024\\_Final.pdf](https://www.biocarbonfund-isfl.org/sites/default/files/2024-06/2.%20ISFL%20BioCarbonEvaluation_Final%20Synthesis%20Report_April%2030%2C%202024_Final.pdf)).



Outputs to achieve Outcome 3							
T2.03.a Number of partnerships established with for-profit private sector organizations due to ISFL support	0	3	5	29	29	C, E, I, M, Z	74
T2.03.b Number of partnerships established with not-for-profit organizations/initiatives (public or private) due to ISFL support	0	3	4	9	9	C, E, I, M, Z	74
T2.03.c Number of engagements established with for-profit private sector organizations due to ISFL support	0	4	8	12	12	C, E, I, M, Z	26
T2.03.d Number of engagements established with not-for-profit organizations/initiatives (public or private) due to ISFL support	0	2	4	8	8	C, E, I, M, Z	54
T2.03.e Number of coordination platforms supported	Indicator will be reported each year. Targets will not be included for this indicator.					C, E, I, M, Z	58

**Tier 3: High-quality tools and approaches are in place to ensure that ISFL goals and objectives are achieved in a timely manner.**

Indicator	Baseline (FY14)	FY17	FY18	FY20	FY22	FY26	EOP Target (FY31)	FY24 Results
T3.1 Volume of grants committed under ISFL to create an enabling environment for emission reductions (US\$, millions)	0	18.25	39.5	71	71	83.7	83.7	83.7
T3.2 Volume of grants disbursed to ISFL programs (US\$, millions)	0	3.25	19.25	30.5	38.6	69.5	82.2	59.9
T3.3 Value of emission reductions purchase agreements committed to ISFL programs (US\$, millions)	[Indicator targets developed in FY23]					45	45	45
T3.4 Number of emission reductions purchase agreements signed	0	0	1	3	5	5	5	2
T3.5 Number of ISFL target countries officially included in the ISFL pipeline	0	3	4	5	5	5	5	5
T3.6 Number of countries with ISFL programs under implementation	0	1	3	5	5	5	5	5
T3.7 Number of ISFL programs that develop a Strategic Environmental and Social Assessment (SESA) and Environmental and Social Management Framework (ESMF)	0	1	1	3	5	5	5	5

**Tier 3: High-quality tools and approaches are in place to ensure that ISFL goals and objectives are achieved in a timely manner.**

Indicator	Baseline (FY14)	FY17	FY18	FY20	FY22	FY26	EOP Target (FY31)	FY24 Results
T3.8 Number of documents made public in order to share ISFL approaches and lessons learned	0	10	15	20	25	30	47	102 <sup>32</sup>
T3.9 Number of ISFL knowledge dissemination events carried out	0	2	3	5	6	10	15	46
T3.10 Percentage of participants rating ISFL knowledge dissemination events as “overall satisfactory (useful)”	0	≥75%	≥75%	≥75%	≥75%	≥75%	≥75%	92%
T3.11 Percentage increase of unique and returning visitors to the ISFL website ( <a href="http://www.biocarbonfund-isfl.org">http://www.biocarbonfund-isfl.org</a> )	0	0.5%	1%	3%	5%	10%	15%	27%
T3.12 Development and update of ISFL Monitoring, Evaluation, and Learning (MEL) Framework, as necessary	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
T3.13 Number of external evaluations/assessments carried out at initiative and program levels	0	0	0	3	4	6	8	2
T3.14 ISFL emission reductions program requirements (GHG accounting approach, etc.) finalized	No	No	Yes	Yes	Yes	Yes	Yes	Yes
T3.15 Development and update of ISFL private sector engagement approach, as necessary	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
T3.16 Development and update of an ISFL long-term financial plan annually	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
T3.17 Agreement and adjustment of an approach for managing pipeline risk, as necessary	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes

32 The ISFL Fund Management Team has been tracking this data throughout the years. The 2023 ISFL third-party evaluator was supposed to evaluate this result, but the evaluator was not able to provide such data. The evaluator has provided qualitative evidence. More details can be found in section 3.1 (Relevance and Program Adaptation) of the evaluation report ([https://www.biocarbonfund-isfl.org/sites/default/files/2024-06/2.%20ISFL%20BioCarbonEvaluation\\_Final%20Synthesis%20Report\\_April%2030%2C%202024\\_Final.pdf](https://www.biocarbonfund-isfl.org/sites/default/files/2024-06/2.%20ISFL%20BioCarbonEvaluation_Final%20Synthesis%20Report_April%2030%2C%202024_Final.pdf)).

Cross-cutting outputs for ISFL program preparation and implementation								
Indicator	Baseline (FY14)	FY17	FY18	FY20	FY22	FY26	EOP Target (FY31)	FY24 Results
<b>Preparation Outputs</b>								
CC.P.1 Number of funded technical studies completed	0	18	21	23	25	29	32	132
CC.P.2 Number of stakeholders consulted on ISFL programs following World Bank's safeguard policies (% women)	0	-	-	Indicator will be reported each year. Targets will not be included for this indicator.				2,217,843 (25%)
CC.P.3 Number of countries that develop a grievance redress mechanism	0	0	3	3	5	5	5	5
CC.P.4 Number of workshops held to prepare an ISFL program	0	14	16	30	30	30	30	684
CC.P.5 Number of project concept notes approved for ISFL programs	0	3	3	9	9	9	9	7
CC.P.6 Number of project appraisal documents (project design documents) approved for ISFL programs	0	2	3	9	9	9	9	7
<b>Implementation Outputs</b>								
CC.I.1 Number of project manuals or other administrative documents completed (Documents)	0	1	1	5	6	6	6	66
CC.I.2 Number of Emission Reductions Program Documents completed (Documents)	0	0	0	4	5	5	5	5
CC.I.3 Number of approved Emission Reductions Program Documents (ERPDs) which directly reference national biodiversity strategies and action plans (NBSAPs), and which include targets that demonstrate biodiversity co-benefits (Documents)	0	0	0	4	5	5	5	1
CC.I.4 Number of program documents that explicitly mention biodiversity, i.e., grant Project Appraisal Documents (PADs), Strategic Environmental and Social Assessments (SESAs), and Environmental and Social Management Frameworks (ESMFs) (Documents)	0	3	6	9	15	15	15	16
CC.I.5 Number of programs that are designing or implementing biodiversity-friendly management strategies (Plans)	0	0	0	4	5	5	5	4

Note: - = not available.



## Appendix B — Financial Reports for Fiscal Year 2024

**Table B.1: Total BioCFplus Contributions by Donor**

As of June 30, 2024 (\$, millions)

**Table B1: Total BioCFplus Contributions by Donor**

Donor	Ministry Department	Total Pledged Contributions	Received Cumulative to FY24	Outstanding
Germany	AA	41.26	41.26	0.00
Norway	NICFI	18.89	18.89	0.00
United Kingdom	DESNZ	20.02	16.00	4.02
	DESNZ (formerly DEFRA) <sup>a</sup>	17.46	9.68	7.79
United States	DOS	36.48	36.48	0.00
Switzerland	SDC	7.06	7.06	0.00
<b>TOTAL</b>		<b>141.18</b>	<b>129.37</b>	<b>11.81</b>

**Note: Totals may not add up to 100 because of rounding.**

AA = Federal Foreign Office (Germany)

DESNZ = Department for Energy Security and Net Zero (United Kingdom)

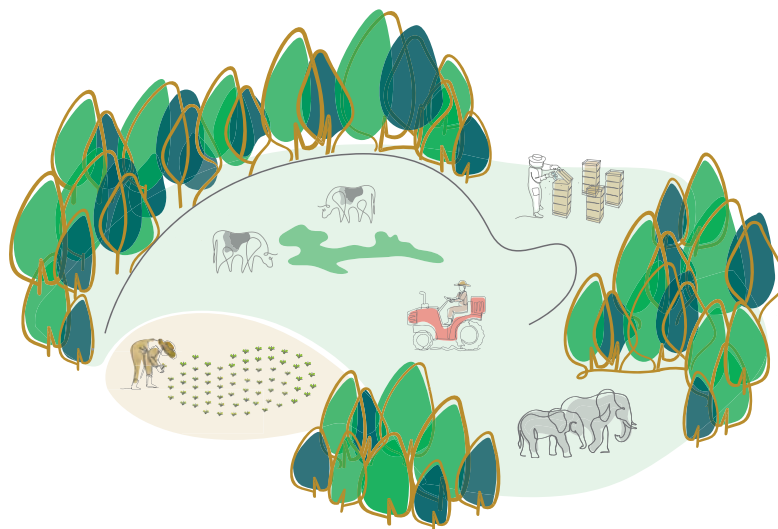
DEFRA = Department for Environment, Food, and Rural Affairs (United Kingdom)

DOS = Department of State (United States)

NICFI = Norway’s International Climate and Forest Initiative

SDC = Swiss Agency for Development and Cooperation

<sup>a</sup> During FY24, DESNZ took over responsibility for the trust funds and role of DEFRA in the BioCF ISFL program.



## Table B.2: BioCFplus Cumulative Expenses

As of June 30, 2024 (\$, millions)

Table B2: BioCFplus Cumulative Expenses

Use of Funds	Total Cumulative to FY24
Initiative activities	7.58
Cross-country program activities	0.37
Integrated land use framework	0.33
Activities for leveraging pilot learning	0.26
South-South knowledge exchange and Pause-and-Reflect session	0.10
Country activities	85.06
Colombia	31.88
Ethiopia	24.07
Indonesia	11.01
Mexico	7.75
Zambia	10.36
Fees	3.55
<b>Total Use of Funds</b>	<b>97.25</b>

## Table B.3: Total BioCF T3 Contributions by Donor

As of June 30, 2024 (\$, millions)

Table B3: Total BioCF T3 Contributions by Donor

Donor	Ministry Department (see Note)	Total Pledged Contributions	Received Cumulative to FY24	Outstanding
Norway	NICFI	95.71	95.71	0.00
United Kingdom <sup>a</sup>	DESNZ	116.16	97.01	19.15
United States	DOS	6.95	6.95	0.00
Switzerland	SDC	3.03	3.03	0.00
<b>TOTAL</b>		<b>221.85</b>	<b>202.69</b>	<b>19.15</b>

**Note:** Totals may not add up because of rounding. Received contributions include funds in the prepaid account. Foreign exchange rates have been applied to outstanding contributions.

DESNZ = Department for Energy Security and Net Zero (United Kingdom)

DEFRA = Department for Environment, Food, and Rural Affairs (United Kingdom)

DOS = Department of State (United States)

NICFI = Norway's International Climate and Forest Initiative

SDC = Swiss Agency for Development and Cooperation

<sup>a</sup> During FY24, DESNZ took over responsibility for the DEFRA BioCF T3 contributions.

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